PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the individual federal alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See "TAX MATTERS" herein.

The Notes will NOT be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

$15,000,000

COUNTY OF SCHOHARIE, NEW YORK

GENERAL OBLIGATIONS

$15,000,000 Bond Anticipation Notes, 2025

(the "Notes")

CUSIP BASE: 807025

Dated and Delivered: May 15, 2025 **Due: May 15, 2026**

The Notes are general obligations of the County of Schoharie, New York (the "County"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limits imposed by Chapter 97 of the Laws of 2011 of the State of New York. See "TAX LEVY LIMITATION LAW" and "NATURE OF OBLIGATION" herein.

The Notes shall NOT be subject to optional redemption prior to maturity (See "THE NOTES – No Optional Redemption" herein.).

At the option of the purchaser, the Notes will be issued in (i) registered certificated form registered in the name of the successful bidder(s) or (ii) registered book-entry-only form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC").

If the Notes are issued registered in the name of the purchaser, a single note certificate will be issued for those Notes of an issue bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the County.

If the Notes are issued in book-entry-only form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of $5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the County to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The County will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "BOOK-ENTRY-ONLY SYSTEM" herein).

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the respective approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, New York, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey or as may be agreed upon on or about May 15, 2025.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on May 1, 2025 until 11:00 A.M., Eastern Time, pursuant to the respective Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the County, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the respective Notice of Sale.

April 24, 2025

THE COUNTY DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 ("THE RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE RESPECTIVE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE COUNTY WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE WITH RESPECT TO THE NOTES. SEE "MATERIAL EVENT NOTICES WITH RESPECT TO THE NOTES" HEREIN.

COUNTY OF SCHOHARIE, NEW YORK

www.ocgov.net

BOARD OF SUPERVISORS

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Chairman

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HAROLD VROMAN
ALEXANDER LUNIEWSKI

ADMINISTRATION

BILL FEDERICE
Acting County Administrator

MARY ANN WOLLABER-BRYAN
County Treasurer

JUDI BEELER
Clerk of the Board

LAWRENCE J. CAZA
County Clerk

MICHAEL A. WEST, ESQ.
County Attorney

ORRICK, HERRINGTON & SUTCLIFFE LLP
Bond Counsel

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

No person has been authorized by the County of Schoharie to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County of Schoharie.

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PREPARED WITH THE ASSISTANCE OF

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OFFICIAL STATEMENT

OF THE

COUNTY OF SCHOHARIE, NEW YORK

RELATING TO

$15,000,000 Bond Anticipation Notes, 2025

This Official Statement, which includes the cover page and appendices, has been prepared by the County of Schoharie, New York (the "County," and "State," respectively), in connection with the sale by the County of the principal amount of $15,000,000 Bond Anticipation Notes, 2025 (referred to herein as the "Notes").

The factors affecting the County's financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the County tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the County contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Notes and the proceedings of the County relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

NATURE OF OBLIGATION

Each of the Notes when duly issued and paid for will constitute a contract between the County and the holder thereof.

Holders of any series of notes or bonds of the County may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Notes will be general obligations of the County and will contain a pledge of the faith and credit of the County for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the County has power and statutory authorization to levy ad valorem taxes on all real property within the County subject to such taxation by the County, subject to applicable statutory limitations.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay "interest on or principal of indebtedness theretofore contracted" prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the County is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the County's power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See "Tax Information - Tax Levy Limitation Law," herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State's highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

> "A pledge of the City's faith and credit is both a commitment to pay and a commitment of the City's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the City's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit" are used and they are not tautological. That is what the words say and this is what the courts have held they mean… So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted… While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term "faith and credit" in its context is "not qualified in any way". Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, "with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations." According to the Court in Quirk, the State Constitution "requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness."

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

THE NOTES

Description of the Notes

The Notes are general obligations of the County, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the County is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limitations. See "TAX LEVY LIMITATION LAW" herein.

The Notes are dated May 15, 2025 and will mature on May 15, 2026. The Notes will not be subject to redemption prior to maturity Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity or upon redemption.

The Notes will be issued in either (i) at the option of the purchaser(s), as registered notes, and, if so issued, registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Under this option, payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices. Payment will be the responsibility of the DTC, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY-ONLY SYSTEM" herein; or (ii) registered in the name of the purchaser(s) with principal and interest payable in Federal Funds at the office of the County Treasurer's Office, in Schoharie, New York.

No Optional Redemption

The Notes shall NOT be subject to redemption prior to maturity.

Purposes of Issue

The Notes are issued pursuant to the Constitution and statutes of the State including among others, the Local Finance Law and a bond resolution approved by the County Board of Supervisors on March 21, 2025 authorizing the construction of a County wide municipal broadband service system, at a maximum estimated cost of $35,870,000 and authorizing the issuance of up to $35,870,000 serial bonds to pay the cost thereof.

The proceeds of the Notes will provide $15,000,000 in original financing for the aforementioned project.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes, if so selected by the Purchaser. As such, the Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered note certificate will be issued for the Notes bearing the same rate of interest and CUSIP.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com**.

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the County, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

THE COUNTY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE COUNTY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE COUNTY MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Certificated Notes

If the book-entry form is initially chosen by the purchaser of the Notes, DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the County and discharging its responsibilities with respect thereto under applicable law, or the County may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is utilized by a purchaser of the Notes upon issuance and later discontinued, the following provisions will apply:

The Notes will be issued in registered form in denominations of $5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the County. The Notes will NOT be subject to prior redemption as described herein under "Optional Redemption"

THE COUNTY

General Information

The County with a land area of 622 square miles is located in east-central New York State and is bordered on the north by Montgomery and Schenectady Counties; on the east by Albany County, on the south by Greene and Delaware Counties and on the west by Otsego County. The County is basically agricultural in nature with dairy farming predominating; other agricultural pursuits include orchard truck farming and maple sugar production. Industrial and manufacturing activities; some of which include gloves, stone products, lumber mills, metal fabrication and plastic products.

Interstate 88 and US Route 20 take an east-west path through the northern section of the County. The New York State Thruway can be accessed from both the east and west ends of the County, providing access to the Cities of Syracuse, Buffalo and points west as well as Boston to the east, New York City to the south and Montreal (via the Northway) to the north. Main County routes include New York State Routes 7, 10, 23, 30, 30A, 145 and 990V.

Albany's International Airport is 35 minutes away, providing national and international flights. Scheduled commercial flights are also available from Schenectady County Airport and Oneonta Municipal Airport. CP Rail provides freight service east west through the northern portion of Schoharie County, parallel to I-88. Amtrak provides passenger service to Amsterdam, Schenectady and Rensselaer.

There are six public school districts operating in the County. Higher education opportunities include the State University of New York College of Agriculture and Technology at Cobleskill (SUNY Cobleskill), which is a fully accredited, comprehensive, residential college enrolling approximately 2,600 students annually, and offers technical programs which draw students from throughout the State.

The County is centrally located in New York State and has easy access to The Catskill and Adirondack Parks, Berkshire and Green Mountains, as well as New York City, Montreal and Boston. Howe Caverns and Secret Caverns attract many visitors during the vacation season.

Utilities are provided by National Grid, New York Electric and Gas, and Richmondville Power and Light.

Source: County officials.

Population Trends

Census Year	Schoharie County	New York State
1990	31,859	17,990,455
2000	31,582	18,976,457
2010	32,749	19,378,102
2020	29,714	20,201,249
2023 (estimate)	30,105	19,571,216
2024 (estimate)	30,151	19,867,248

Sources: U. S. Census Bureau.

Major Employers

The larger employers in the County and the estimated number of persons employed by each are as follows:

Employer	Type	Number of Employees
Wal-Mart, Inc. Distribution Center	Distribution Center	617
State University College at Cobleskill	Higher Education	600
Cobleskill-Richmondville CSD	Public Education	450
Schoharie County	Municipality	440
Price Chopper	Supermarket	298
Wal-Mart, Inc.	Retail	279
Bassett Hospital	Health Care	210
Schoharie Central School District	Public Education	193
Middleburgh Central School District	Public Education	170

Source: County Officials.

Wealth and Income Indicators

Per capita income statistics are available for the County and State. Listed below are select figures from the 2006-2010, 2016-2020 and 2019-2023 American Community Survey 5-Year Estimates reports.

	Per Capita Income			Median Family Income		
	2006-2010	2016-2020	2019-2023	2006-2010	2016-2020	2019-2023
County of:						
Schoharie	$ 25,105	$ 32,352	$ 38,100	$ 61,828	$ 71,211	$ 87,727
State of:						
New York	30,948	40,898	49,520	67,405	87,270	105,060

Source: U.S. Census Bureau, 2006-2010, 2016-2020 and 2019-2023 American Community Survey data.

Unemployment Rate Statistics

Unemployment statistics are available for the County as such. The information set forth below with respect to the County is included for informational purposes only.

	Annual Average							
	2017	2018	2019	2020	2021	2022	2023	2024
Schoharie County	5.4%	4.8%	4.4%	6.8%	4.6%	3.7%	4.2%	4.1%
New York State	4.6%	4.1%	3.9%	9.8%	7.1%	4.3%	4.1%	4.3%

	2024-2025 Monthly Figures											
	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Schoharie County	4.1%	3.9%	3.9%	4.2%	4.1%	3.2%	3.2%	3.3%	3.7%	5.0%	5.4%	N/A
New York State	3.9%	4.2%	4.3%	4.9%	4.9%	4.0%	4.1%	4.2%	4.1%	4.6%	4.3%	N/A

Note: Unemployment rates for March 2025 are unavailable as of the date of this Continuing Disclosure

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).

Schoharie County Industrial Development Agency

The Schoharie County Industrial Development Agency (SCIDA) is a public benefit corporation with a mission to promote, develop, encourage, and assist in the construction, expansion, and equipping of economically sound industrial and commercial facilities in order to advance job opportunities, general prosperity and economic welfare of the citizens of Schoharie County. The Schoharie County Board of Supervisors appoints the Board of Directors. The Board of Directors appoints the Chief Executive Officer and approves all staff employment. The Chief Executive Officer and staff assist with SCIDA operations as approved by the Board of Directors. The County is not liable for any SCIDA indebtedness. Separate audited financial statements for the SCIDA may be obtained by contacting SCIDA directly, which is located in Cobleskill, New York.

Form of County Government

In New York State, local government services are generally provided by counties, cities, towns and villages. The County provides law enforcement services, economic assistance, health and nursing services, maintains county roads, and provides numerous other services.

The County Board of Supervisors is the main policy making body of the County. It has the power to levy taxes, adopt the County budget, make appropriations and adopt local laws. The County Board of Supervisors is a 16 member body consisting of one Supervisor from each of the 16 towns. Voting strength of each Supervisor is weighted to reflect population of that constituency. Supervisors are elected at large, within the area they represent, for two year terms in November of every odd numbered year with the exceptions of the towns of Sharon & Middleburgh which each have 4 year terms. Annually, the Board of Supervisors elects a chairman from among its members. The Chairman of the Board of Supervisors is the chief executive officer who also acts on behalf of the County Board of Supervisors.

The County Treasurer, who is elected at large within the County for a four year term is the chief fiscal officer of the County. The County Treasurer maintains the fiscal records, is responsible for receipt of, depositing of and disbursing of all funds of the County and issuance of bonds and notes of the County.

Other elected administrative officials of the County include the County Clerk, District Attorney and Sheriff, all with a four year term of office. The other administrative officials of the County, including the County Administrator, County Attorney and the various Commissioners are appointed by the County Board of Supervisors.

The position of County Administrator was established by local law on March 31, 2015 and filled on November 1, 2015.

Financial Organization

The County Board of Legislators meets at both regular and special meetings throughout the year. The County Board of Legislators reviews and adopts the annual County budget, levies taxes, reviews and approves any modifications to the budget, and authorizes the incurrence of all indebtedness of the County.

Budgetary Procedures

During August of each year, Budget request forms are sent to department heads who must return them by September 1st. During September the Budget Officer reviews the requests and holds hearings with each department head and revisions are made where necessary. By October 15th, the Budget Officer presents the proposed budget to the Board of Supervisors for review. Public hearings are held during the month of November and the Board of Supervisors adopts the final budget by December 20th.

The County's 2020 budget included a 2.52% increase in the property tax levy, which is below the County's tax levy limit of 2.59%. The County did not vote to exceed its Tax Levy Limit for the 2020 fiscal year. The 2020 County General Fund budget was adopted appropriating fund balance of $2,735,000.

The County's 2021 budget included a .04% decrease in the property tax levy, which is below the County's tax levy limit of 2.17%. The County did not vote to exceed its Tax Levy Limit for the 2021 fiscal year. The 2021 County General Fund budget was adopted appropriating fund balance of $1,650,000.

The County's 2022 budget included a 0% increase in the property tax levy, which is below the County's tax levy limit of 3.9%. The County did not vote to exceed its Tax Levy Limit for the 2022 fiscal year. The 2022 County General Fund budget was adopted appropriating fund balance of $1,050,000.

The County's 2023 budget included a 0% increase in the property tax levy, which is below the County's tax levy limit of 4.45%. The County did not vote to exceed its Tax Levy Limit for the 2023 fiscal year. The 2023 County General Fund budget was adopted appropriating fund balance of $3,142,447.

The County's 2024 budget included a 2.17% decrease in the property tax levy, which is below the County's tax levy limit of 4.36%. The County did not vote to exceed its Tax Levy Limit for the 2024 fiscal year. The 2024 County General Fund budget was adopted appropriating fund balance of $6.8 million.

The County's 2025 budget included a 2.09% increase in the property tax levy, which is below the County's tax levy limit of 4.30%. The County did not vote to exceed its Tax Levy Limit for the 2025 fiscal year. The 2025 County General Fund budget was adopted appropriating fund balance of $5.7 million.

Investment Policy

Pursuant to the statutes of the State of New York, the County is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the County; (6) obligations of a New York public corporation which are made lawful investments by the County pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of County moneys held in certain reserve funds established pursuant to law, obligations issued by the County. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the County's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the County may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian. The County does not have authority to invest in reserve repurchase agreements or similar derivative type investments.

State Aid

The County receives financial assistance from the State. In its total fund budget for the 2025 fiscal year, approximately 16.3% of the revenues of the County are estimated to be received in the form of State aid. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the County, in this year or future years, the County may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the County, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the County. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the County requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

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Tobacco Settlement Securitization

In 1998, the State of New York estimated it would receive approximately $25 billion over the next 25 years as a result of a comprehensive settlement among 46 states and U.S. territories and all the major tobacco companies. The settlement represents reimbursement to the State for medical costs incurred, primarily paid by Medicaid, from treating smoking-related illnesses. Since the counties of the State and New York City pay a share of Medicaid costs, the State has apportioned approximately half the settlement funds to these localities. In 2017, the County received a $378,334 settlement payment which is reported in the general fund as sale of property and compensation for loss. In 2018, the County received a $409,694 settlement payment which is reported in the general fund as sale of property and compensation for loss. In 2019, the County received a $388,174 settlement payment which is reported in the general fund as sale of property and compensation for loss. In 2020, the County received a $445,312 settlement payment which is reported in the general fund as sale of property and compensation for loss. In 2021, the County received a $481,581 settlement payment which is reported in the general fund as sale of property and compensation for loss. In 2022, the County received a $493,926 settlement payment which is reported in the general fund as sale of property and compensation for loss. In 2023, the County received a $466,736 settlement payment which is reported in the general fund as sale of property and compensation for loss. In 2024, the County received a $402,560 settlement payment which is reported in the general fund as sale of property and compensation for loss. In 2025, the County expects to receive a $405,000 settlement payment which is reported in the general fund as sale of property and compensation for loss.

Employees

The County provides services through approximately 400 full-time and 53 part-time employees. The following provides a breakdown of employees by bargaining unit:

Number of Full Time Employees	Bargaining Unit	Contract Expiration Date
286	CSEA Local #848	12/31/25
46	Schoharie County Deputy Sheriff Association	12/31/27
22	Schoharie County Road Patrol Association	12/31/25

Pension Payments

Substantially all employees of the County are members of the New York State and Local Employees' Retirement System ("ERS"). The ERS is generally also known as the "Common Retirement Fund". The Retirement System is a cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement Systems offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System.

The ERS is non- contributory with respect to members hired prior to July 27, 1976 (Tier 1 & 2); members hired from July 27, 1976 through December 31, 2009 (Tier 3 & 4) contribute 3% for the first 10 years of service and then become non-contributory; members hired from January 1, 2010 through March 31, 2012 (Tier 5) must contribute 3% for their entire careers; members hired April 1, 2012 (Tier 6) or after will contribute between 3 and 6 percent for their entire careers based on their annual wage.

For ERS, Tier 5 provides for:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62
- Requiring employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at $15,000 per year, and for police & firefighters at 15% of non-overtime wages.

For ERS, Tier 6 provides for:

- Increase contribution rates of between 3% and 6% base on annual wage
- Increase in the retirement age from 62 years to 63 years
- A readjustment of the pension multiplier
- A change in the period for final average salary calculation from 3 years to 5 years

The County's contributions to ERS since 2016, 2024 budgeted and unaudited contributions and 2025 budgeted contributions are as follows:

Year	Amount
2016	$ 2,539,121
2017	2,429,615
2018	2,414,514
2019	2,435,245
2020	2,495,061
2021	2,847,688
2022	2,361,216
2023	2,564,603
2024 (Budgeted)	3,262,400
2024 (Unaudited)	3,138,631
2025 (Budgeted)	3,755,700

Source: Audited financial statements of the County and County officials.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The County currently does not have any such programs outstanding.

Historical Trends and Contribution Rates: Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS rates (2021 to 2025) is shown below:

Year	ERS
2021	14.6%
2022	16.2
2023	11.6
2024	13.1
2025	15.2

Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program that establishes a minimum contribution for any employer equal to 4.5% of pensionable salaries for required contributions due December 15, 2003 and for all years thereafter where the actual rate would otherwise be 4.5% or less. In addition, it instituted a billing system that will advise employers over one year in advance concerning actual pension contribution rates.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating local government employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS, when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

Stable Rate Pension Contribution Option: The 2013-14 Adopted State Budget included a provision that authorized local governments, including the County, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

The County is not amortizing or smoothing any pension payments nor does it intend to do so in the foreseeable future.

The investment of monies and assumptions underlying same, of the Retirement System covering the County's employees is not subject to the direction of the County. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the County which could affect other budgetary matters. Concerned investors should contact the Retirement System administrative staff for further information on the latest actuarial valuations of the Retirement System.

Other Post-Employment Benefits

Healthcare Benefits. School districts and boards of cooperative educational services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

OPEB. Other Post-Employment Benefits ("OPEB") refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 75. GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the year ending December 31, 2018. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,* as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans,* for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* establishes new accounting and financial reporting requirements for OPEB plans. The County was required to adopt the provisions of Statement No. 75 for the year ending December 31, 2018.

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Summary of Changes from the Last Valuation. The County contracted with Milliman, an actuarial firm, to calculate its actuarial valuation under GASB 75 for the fiscal year ending December 31, 2022 and December 31, 2023.

The following outlines the changes to the Total OPEB Liability during the fiscal year, by source.

Balance beginning at:	December 31, 2021	December 31, 2022
	$ 135,537,364	$ 144,305,852
Changes for the year:		
Service cost	6,950,010	7,270,425
Interest	2,979,223	3,078,803
Differences between expected and actual experience	-	-
Effect of plan changes	-	-
Effect of economic/demographic gains or losses	(3,326,599)	-
Changes in benefit terms	-	-
Changes in assumptions or other inputs	6,102,399	(30,325,499)
Benefit payments	(3,936,545)	(4,261,414)
Net Changes	$ 8,768,488.00	$ (24,237,685.00)
Balance ending at:	December 31, 2022	December 31, 2023
	$ 144,305,852	**$ 120,068,167**

Note: Actuarial Valuation for fiscal year ending December 31, 2024 is not available as of this Official Statement

GASB 45. Prior to GASB 75, GASB Statement No. 45 ("GASB 45"), required municipalities and school districts to account for OPEB liabilities much like they already accounted for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. Unlike GASB 27, which covered accounting for pensions, GASB 45 did not require municipalities or school districts to report a net OPEB obligation at the start.

Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") was determined for each municipality or school district. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality or school district contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 45 did not require that the unfunded liability actually be amortized nor that it be advance funded, only that the municipality or school district account for its unfunded accrued liability and compliance in meeting its ARC.

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose for which serial bonds are to be issued, is the County Law and the Local Finance Law.

The County is in compliance with the estoppel procedures in relation to this issuance.

No principal or interest upon any obligation of this County is past due.

The fiscal year of the County is January 1 through December 31.

Except for as shown under "STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness", this Continuing Disclosure Statement does not include the financial data of any political subdivision having power to levy taxes within the County.

Financial Statements

The County retains an independent certified public accounting firm for a continuous independent audit of all financial transactions of the County. The last audit was for the fiscal year ended December 31, 2023, is attached hereto as "APPENDIX – C." and is available on the MSRB EMMA website. The audit for the fiscal year ending December 31, 2024 is anticipated to be completed by September 30, 2025. Certain financial information may also be found in the Appendices to this Continuing Disclosure Statement.

The County complies with the Uniform System of Accounts as prescribed for counties in New York State by the State Comptroller. This System differs from generally accepted accounting principles (GAAP) as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB). This difference is with respect to the annual update document which is not prepared using the GAAP standards while the audit report is prepared using such standards.

Changes to the Uniform System of Accounts as prescribed for counties have been made by the State Comptroller in order to conform the Uniform System of Accounts to certain of these principles. These changes require the County to maintain a record of fixed assets to be recorded at cost or at estimated historical cost.

Beginning with the fiscal year ending December 31, 2003 the County will issue its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis. The County is in compliance with Statement No. 34.

Estimated Unaudited Results for the Fiscal Year Ended December 31, 2024

The County ended the fiscal year ended December 31, 2024 with an estimated unassigned General Fund balance of $28.2 million.

Summary unaudited information for the General Fund for the period ending December 31, 2024 is as follows:

Revenues:	$85,551,247
Expenditures:	$98,586,478
Excess (Deficit) Revenues Over Expenditures:	($13,035,231) [1]
Total Fund Balance:	$31.1 million

[1] The County paid off $11.8 million of debt obligations in 2024 as part of a planned fund balance spend-down.

Note: These projections are based upon certain current assumptions and estimates, and the audited results may vary therefrom.

The State Comptroller's Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The reports of the State Comptroller for the past five years for the County are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2023	No Designation	0.0
2022	No Designation	0.0
2021	No Designation	0.0
2020	No Designation	0.0
2019	No Designation	0.0

Source: Website of the Office of the New York State Comptroller.

Note: Reference to website implies no warranty of accuracy of information therein.

New York State Comptroller Report of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the County has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

The New York State Comptroller’s office most recent audit report of the County was released on June 17, 2022. The purpose of the audit was to determine whether County officials have established appropriate controls to safeguard and account for court and trust funds for the period January 1, 2019 through April 20, 2022.

Key Findings:

- The Treasurer established adequate procedures, maintained appropriate records and properly reported court and trust funds as prescribed by statute.
- Records maintained by the Clerk and Surrogate’s Court were up to date and complete and we noted no material discrepancies.

Key Recommendations:

There were no recommendations.

A copy of the complete report and the County’s response can be found via the official website of the Office of the New York State Comptroller. Prior audit reports of the County can be reviewed as well.

There are no State Comptroller’s audits of the County that are currently in progress or pending release.

Note: Reference to website implies no warranty of accuracy of information therein, nor inclusion herein by reference.

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TAX INFORMATION

Assessment Roll

Fiscal Year Ending December 31:		2021	2022	2023	2024	2025
Assessed Valuation						
Towns of:	Blenheim	$ 119,917,905	$ 123,117,127	$ 123,163,621	$ 124,097,419	$ 124,568,190
	Broome	111,430,949	112,551,818	113,543,525	145,935,048	161,541,447
	Carlisle	127,425,462	127,632,323	127,677,816	127,583,710	128,025,815
	Cobleskill	463,984,997	465,336,853	466,057,235	465,725,459	466,695,572
	Conesville	119,514,778	121,389,301	123,246,603	158,080,905	184,598,631
	Esperance	123,973,187	125,289,120	125,495,479	125,755,268	126,224,857
	Fulton	80,919,119	81,537,725	81,933,360	82,163,517	82,709,328
	Gilboa	8,503,759	8,531,061	9,185,940	9,195,920	9,287,858
	Jefferson	90,037,830	90,649,068	91,832,283	93,102,420	93,532,322
	Middleburgh	172,946,970	175,691,893	177,162,898	179,439,890	181,568,207
	Richmondville	202,721,359	204,234,591	205,706,895	206,610,641	207,239,756
	Schoharie	302,381,460	305,390,298	304,491,636	303,962,420	304,594,417
	Seward	87,295,697	87,730,849	88,842,395	89,728,168	90,297,847
	Sharon	166,929,631	167,146,592	167,445,413	168,140,057	184,368,071
	Summit	68,009,515	68,857,586	69,795,581	70,333,823	70,899,432
	Wright	137,208,842	137,821,651	137,662,606	138,169,880	138,669,464
Total Assessed Valuation		$ 2,383,201,460	$ 2,402,907,856	$ 2,413,243,286	$ 2,488,024,545	$ 2,554,821,214
State Equalization Rates						
Towns of:						
	Blenheim	74.00%	71.00%	60.00%	52.00%	50.00%
	Broome	100.00%	100.00%	87.00%	100.00%	100.00%
	Carlisle	72.00%	66.00%	57.50%	50.00%	47.50%
	Cobleskill	78.50%	72.00%	64.00%	57.00%	54.80%
	Conesville	100.00%	100.00%	87.00%	95.00%	100.00%
	Esperance	92.40%	88.00%	76.50%	66.41%	64.00%
	Fulton	62.00%	59.00%	51.00%	47.04%	43.00%
	Gilboa	2.11%	2.13%	1.74%	1.64%	1.51%
	Jefferson	53.00%	53.00%	47.00%	42.00%	40.00%
	Middleburgh	65.75%	63.15%	54.00%	51.00%	49.00%
	Richmondville	100.00%	95.00%	85.00%	72.40%	64.00%
	Schoharie	92.40%	88.00%	76.50%	66.41%	64.00%
	Seward	72.00%	66.00%	57.50%	50.00%	47.50%
	Sharon	72.00%	66.00%	57.50%	50.00%	47.50%
	Summit	61.00%	58.00%	47.00%	42.75%	40.00%
	Wright	73.00%	70.00%	60.00%	51.00%	49.50%
Total Full Valuation		$ 3,444,180,022	$ 3,641,175,629	$ 4,267,496,190	$ 4,815,746,934	$ 5,160,854,303

Tax Rate Per $1,000

Fiscal Years Ending December 31:		2021	2022	2023	2024	2025
Towns of:						
	Blenheim	$ 12.80	$ 12.66	$ 12.68	$ 12.74	$ 12.53
	Broome	9.53	9.04	8.80	6.66	6.29
	Carlisle	13.27	13.74	13.35	13.36	13.28
	Cobleskill	12.10	12.54	11.95	11.68	11.49
	Conesville	9.47	8.99	8.76	6.98	6.26
	Esperance	10.34	10.30	10.04	10.07	9.86
	Fulton	15.31	15.27	14.95	14.11	14.59
	Gilboa	447.99	421.41	437.11	403.94	414.87
	Jefferson	17.98	17.05	16.27	15.85	15.71
	Middleburgh	14.58	14.42	14.28	13.13	12.69
	Richmondville	9.54	9.53	9.02	9.23	9.86
	Schoharie	10.36	10.31	10.04	10.06	9.86
	Seward	13.26	13.75	13.35	13.37	13.29
	Sharon	13.22	13.70	13.30	13.31	13.14
	Summit	15.75	15.70	16.39	15.67	15.83
	Wright	13.14	12.99	12.83	13.12	12.77

Tax Collection Record

Fiscal Years Ending December 31:		2020		2021		2022		2023		2024
Total Tax Levy $	$	22,606,005	$	22,597,987	$	22,597,987	$	22,597,987	$	22,107,106
Uncollected Oct 1		4,997,011		4,306,244		4,099,395		3,986,786		4,282,500
% Uncollected Oct 1		22.10%		19.06%		18.14%		17.64%		19.37%
Uncollected December 31		4,313,902		3,902,078		3,627,216		3,854,884		3,697,950
% Uncollected December 31		19.08%		17.27%		16.05%		17.06%		16.73%

Tax Collection Procedure

County real property taxes are levied annually no later than December 31 and become a lien on January 1. Taxes are collected from January 1 until four years later when the redemption period expires and foreclosure procedures begin. Taxes for County purposes are levied together with taxes for towns and special purpose districts as a single bill. The towns and special purpose districts receive the full amount of their levies annually out of the first amounts collected on the combined bills. The County assumes enforcement responsibility for all uncollected taxes levied in the towns.

Unpaid village taxes and school district taxes are turned over to the County for collection. Any such taxes remaining unpaid at year-end are re-levied as County taxes in the subsequent year.

Constitutional Tax Margin

Computation of Constitutional Tax Margin for fiscal years ending December 31:

	2023	2024	2025
Five-Year Average Full Valuation	$ 2,478,322,794	$ 2,695,292,742	$ 2,945,933,869
Tax Limit - (2.0%)	49,566,456	53,905,855	58,918,677
Add: Exclusions from Limit	1,439,800	2,171,538	905,500
Total Taxing Power	51,006,256	56,077,393	59,824,177
Less Total Levy	22,617,078	22,120,529	22,584,418
Tax Margin	$ 28,389,178	$ 33,956,864	$ 37,239,759

Source: County officials.

Larger Taxpayers – 2024 Assessment Roll for 2025 Taxes

Name	Type	Estimated Taxable Full Valuation
National Grid	Utility	$ 34,389,590
City of New York	Reservoir	15,152,970
Norfolk Southern Railway	Railroad	8,969,332
NYSEG	Utility	7,669,579
High Hill LLC	Solar	7,475,845
Wal-Mart	Commercial	6,840,000
East Point Energy Center LLC	Solar	6,810,329
Spectrum Northeast Albany	Utility	5,550,046
Colonial Park Enterprises LLC	Apartments	4,909,200
Superior Land Management	Apartments	4,790,100

The larger taxpayers listed above have an estimated full valuation of $102,556,991 which represents 1.99% of the tax base of the County.

The County currently does not have any pending or outstanding tax certioraris that are known or reasonably expected to have a material impact on the County.

Source: County tax rolls.

County Sales Tax Revenue

The County enacted a 4% tax on sales and uses of tangible personal properties, on certain services and occupancy of hotel rooms, admission charges, and club dues pursuant to Article 29 of the Tax Law of the State of New York. All sales tax collections distributed to the County by the State Tax Commission are retained by the County for County purposes, with the exception of 5% of the total collected, which the County distributes to the towns and villages within the County based upon total assessed value.

Below is a historical chart of sales tax revenues, budgeted and unaudited amounts for 2024 and amount budgeted for 2025:

Year	Actual Collected
2012	$14,959,293
2013	14,210,833
2014	14,975,163
2015	14,105,536
2016	14,640,830
2017	15,472,541
2018	16,076,081
2019	16,009,403
2020	16,779,183
2021	19,466,528
2022	22,122,721
2023	24,633,595
2024 (Budgeted)	22,150,000
2024 (Unaudited)	24,340,020
2025 (Budgeted)	24,485,885

Source: County officials.

Additional Tax Information

Real property taxes in the County are assessed by the various towns.

Veterans' and senior citizens' exemptions are offered to those who qualify.

The assessment roll of the County is constituted approximately as follows: 10% commercial, 5% industrial, 80% residential, 5% agricultural and other.

The total property tax bill of a typical residence with a market value of $100,000 is estimated to be $2,831 including County, town, village and school district taxes.

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TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (as amended, the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to virtually all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Rochester and Buffalo, the latter four of which are indirectly affected by applicability to their respective city). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the Tax Levy Limitation Law (June 24, 2011).

While the Tax Levy Limitation Law may constrict an issuer's power to levy real property taxes for the payment of debt service on debt contracted after the effective date of said Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer's pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer's levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

Certain additional restrictions on the amount of the tax credit are set forth in Chapter 59 in order for the tax cap to qualify as one which will provide the tax credit benefit to such real property taxpayers. The tax credit amount is increased in the second year if compliance occurs in both taxable years.

For the second taxable year of the program, the tax credit for real property taxpayers is additionally contingent upon adoption by the school district or municipal unit of government of a state approved "government efficiency plan" which demonstrates "three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies".

Municipalities and school districts must provide certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the tax credit.

While the provisions of Chapter 59 do not directly further restrict the taxing power of the affected school districts and municipal units of government, they do provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limitation Law. The implications of this for future tax levies and for operations and services of the County are uncertain at this time.

COUNTY INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the County (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional limitations in summary form, and as generally applicable to the County and the Bonds include the following:

Purpose and Pledge. Subject to certain enumerated exceptions, the County shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The County may contract indebtedness only for a County purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the County Legislature authorizes and utilizes the issuance of bonds with substantially level or declining annual debt service. The County is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

Debt Limit. The County has the power to contract indebtedness for any County purpose so long as the principal amount thereof, subject to certain limited exceptions, shall not exceed seven per centum of the average full valuation of taxable real estate of the County and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of the last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Pursuant to Article VIII of the State Constitution and Title 9 of Article 2 of the Local Finance Law, the debt limit of the County is calculated by taking 7% of the latest five-year average of the full valuation of all taxable real property.

Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the County to borrow and incur indebtedness by the enactment of the Local Finance Law subject, of course, to the provisions set forth above. The power to spend money, however, generally derives from other law, including specifically the County Law and the General Municipal Law.

Pursuant to the Local Finance Law, the County authorizes the issuance of bonds by the adoption of a bond resolution approved by at least two-thirds of the members of the County Board of Supervisors, the finance board of the County. Customarily, the County Board of Supervisors has delegated to the County Treasurer, as chief fiscal officer of the County, the power to authorize and sell bond anticipation notes in anticipation of authorized bonds.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

(1) Such obligations are authorized for a purpose for which the County is not authorized to expend money, or

(2) There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations and an action contesting such validity is commenced within twenty days after the date of such publication,

or, (3) Such obligations are authorized in violation of the provisions of the Constitution.

Except on rare occasions the County complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

The County Board of Supervisors, as the finance board of the County, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may, and generally does, delegate the power to sell the obligations to the County Treasurer, the chief fiscal officer of the County, pursuant to the Local Finance Law.

Statutory law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

In general, the Local Finance Law contains provisions providing the County with power to issue certain other short-term general obligation indebtedness including revenue tax, deficiency and bond anticipation notes and budget notes (see "Details of Outstanding Indebtedness" herein).

Debt Outstanding End of Fiscal Year [(1)]

Years Ending December 31:	2020	2021	2022	2023	2024
Bonds	$ 6,505,000	$ 5,770,000	$ 5,015,000	$ 11,550,000	$ 6,835,000
Bond Anticipation Notes	27,085,000	25,740,000	25,110,000	7,600,000	0
Capital Leases	840,531	636,964	429,081	216,791	0
Total Debt Outstanding	$ 34,430,531	$ 32,146,964	$ 30,554,081	$ 19,366,791	$ 6,835,000

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the County as evidenced by bonds as of April 24, 2025:

Type of Indebtedness	Maturity		Amount Outstanding
Bonds	2026-2033		$ 6,190,000
		Total Indebtedness:	$ 6,190,000

Debt Statement Summary

Statement of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of April 24, 2025:

Five-Year Average Full Valuation			$ 4,265,890,616
Debt Limit - 7% thereof			298,612,343
Inclusions:			
Bonds	$ 6,190,000		
Bond Anticipation Notes	0		
Total Inclusions		$ 6,190,000	
Exclusions:			
Appropriations - Bonds	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 6,190,000
Net Debt-Contracting Margin			$ 292,422,343
The percent of debt contracting power exhausted is			2.07%

Bonded Debt Service

A schedule of bonded debt service may be found in "APPENDIX – B" to this Continuing Disclosure Statement.

Cash Flow Borrowings

The County has not found it necessary to borrow revenue anticipation notes or tax anticipation notes, nor budget or deficiency notes in the recent past and currently does not plan to do so.

Capital Project Plans and Capital Lease Obligations

In 2012, the County Board of Supervisors agreed to be the sponsoring municipality for a Stream Bank Stabilization Project estimated to cost approximately $30 million. All but approximately $5 million for this project was anticipated to be eligible for 75% reimbursement from the federal government with the remaining 25% funded through State grants. NRCS, the major source of federal reimbursement funding, has for the past several years claimed that there are serious defects in the design, construction and overall management of this project. As a result, NRCS halted reimbursements on June 30, 2015 pending corrective action being taken. While the suspension of grants was lifted in 2016, reimbursements remain subject to ongoing negotiations with NRCS and other involved agencies in order to correct the defects that NRCS has claimed. To date, $24.1 million has been expended and $10.1 million has been received in reimbursements. No assurance can be provided that such negotiations will allow for federal reimbursements to be forthcoming and if so at the amount originally anticipated. In the event that the County share of this project increases as a result thereof the County does have authority to finance such additional costs for a period up to 25 years. Along with $158,000 available funds, the County issued $7,905,000 serial bonds on November 7, 2018 to permanently finance $8,063,000 bond anticipation notes maturing on November 8, 2018. The County partially redeemed and renewed $137,000 bond anticipation notes on November 7, 2018 with $134,000 bond anticipation notes and $3,000 available funds of the County. The County fully redeemed the $134,000 bond anticipation notes maturing November 7, 2019 with available funds. On February 8, 2019, the County partially redeemed and renewed an additional $14,725,000 bond anticipation notes with $14,415,000 bond anticipation notes and $310,000 available funds. On February 6, 2020 the County issued $14,085,000 bond anticipation notes which along with $330,000 available funds of the County partially redeemed and renewed the $14,725,000 bond anticipation notes maturing February 7, 2020. On February 4, 2021 the County issued $13,740,000 bond anticipation notes, which, along with $345,000 available funds of the County, partially redeemed and renewed the $14,085,000 bond anticipation notes maturing February 5, 2021. On February 3, 2022 the County issued $13,410,000 bond anticipation notes with a maturity of February 3, 2023 which along with $330,000 available funds partially redeemed and renewed the $13,740,000 bond anticipation notes that matured on February 4, 2022. The $13,740,000 bond anticipation notes were redeemed on February 2, 2023 with $7,310,000 serial bond proceeds and available funds of the County. The County has $6,190,000 in principal outstanding on the Bonds.

On March 21, 2025 the Board of Supervisors of the County approved a bond resolution authorizing the construction of a County wide broadband service system at a maximum estimated cost of $35,870,000 and authorizing the issuance of up to $35,870,000 serial bonds to pay the cost thereof. The proceeds of the Notes represents the initial borrowing against this authorization. It is anticipated that the County will receive $30,000,000 in Connect NY grant funding for the project with the remaining amount to be financed by the County.

Other than as for the broadband project associated with the Notes, the County does not have any other bond authorizations adopted, but unissued, at the present time.

Estimated Overlapping Indebtedness

In addition to the County, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the County. The estimated net outstanding indebtedness of such political subdivisions of the respective governmental units is as follows:

	Indebtedness [1]	Exclusions [2][3]		Net Indebtedness
Towns	$ 4,623,287	$ -	[4]	$ 4,623,287
Villages	2,985,429	-	[4]	2,985,429
School Districts	56,361,837	46,654,856	[5]	9,706,981
Fire Districts	1,188,673	-	[4]	1,188,673
		Total:		$ 18,504,370

[1] Outstanding bonds and bond anticipation notes. Not adjusted to include subsequent bond or note sales, if any.
[2] Pursuant to applicable constitutional and statutory provisions, this indebtedness is deductible from gross indebtedness for debt limit purposes.
[3] Sewer and water debt, and/or appropriations and cash on hand for debts.
[4] Information regarding excludable debt not available for all municipalities
[5] Estimated State Building aid.

Source: Local government data reports provided by the State Comptroller's office or where available annual financial information & operating data filings and/or official statements obtained from EMMA or the respective municipality.

Debt Ratios

The following table sets forth certain ratios relating to the County's indebtedness as of April 24, 2025:

	Amount of Indebtedness	Per Capita [1]	Percentage of Full Valuation [2]
Net Direct Indebtedness [3]	$ 6,190,000	$ 205.30	0.12%
Net Direct Plus Net Overlapping Indebtedness [4]	30,027,099	819.02	0.48%

[1] The County's 2024 estimated population is 30,151 (See "Population Trends" herein).
[2] The County's full valuation of taxable real estate for 2025 is $5,160,854,303. (See "TAX INFORMATION – Valuations" herein).
[3] See "Debt Statement Summary" for calculation of Net Indebtedness herein.
[4] The County's estimated applicable share of net underlying indebtedness is $18,504,370. (See "Overlapping Indebtedness" herein).

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

General Municipal Law Contract Creditors' Provision. Each Note when duly issued and paid for will constitute a contract between the County and the holder thereof. Under current law, provision is made for contract creditors of the County to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the County upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the County may not be enforced by levy and execution against property owned by the County.

Authority to File for Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as the County, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

The State has consented that any municipality in the State may file a petition with the United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, being Chapter 9 thereof, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debt including judicial control over identifiable and unidentifiable creditors.

No current state law purports to create any priority for holders of the Notes should the County be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The rights of the owners of Notes to receive interest and principal from the County could be adversely affected by the restructuring of the County's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the County (including the Notes) to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the County under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

State Debt Moratorium Law. There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of obligations.

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law described below enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the City.

Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law. The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an "emergency financial control board" for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in county in which the municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law ("Title 6-A") effectively prohibits the doing of any act for ninety days in the payment of claims, against the municipality including payment of debt service on outstanding indebtedness.

This includes staying the commencement or continuation of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in accordance with the statutory provisions set forth therein. The filing of a petition may be accompanied with a proposed repayment plan which upon court order approving the plan, may extend any stay in the payment of claims against the municipality for such "additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder." Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

A proposed plan can be modified prior to court approval or disapproval. After approval, modification is not permissible without court order after a hearing. If not approved, the proposed plan must be amended within ten days or else the stay is vacated and claims including debt service due or overdue must be paid. It is at the discretion of the court to permit additional filings of amended plans and continuation of any stay during such time. A stay may be vacated or modified by the court upon motion of any creditor if the court finds after a hearing, that the municipality has failed to comply with a material provision of an accepted repayment plan or that due to a "material change in circumstances" the repayment plan is no longer in compliance with statutory requirements.

Once an approved repayment plan has been completed, the court, after a hearing upon motion of any creditor, or a motion of the municipality or its emergency financial control board, will enter an order vacating any stay then in effect and enjoining of creditors who accepted the plan or any benefits thereunder from commencing or continuing any court action, proceeding or other act described in Title 6-A relating to any debt included in the plan.

Title 6-A requires notice to all creditors of each material step in the proceedings. Court determinations adverse to the municipality or its financial emergency control board are appealable as of right to the appellate division in the judicial department in which the court is located and thereafter, if necessary, to the Court of Appeals. Such appeals stay the judgment or appealed from and all other actions, special proceedings or acts within the scope of Section 85.30 of Title 6-A pending the hearing and determination of the appeals.

Whether Title 6-A is valid under the Constitutional provisions regarding the payment of debt service is not known. However, based upon the decision in the Flushing National Bank case described above, its validity is subject to doubt.

While the State Legislature has from time to time adopted legislation in response to a municipal fiscal emergency and established public benefit corporations with a broad range of financial control and oversight powers to oversee such municipalities, generally such legislation has provided that the provisions of Title 6-A are not applicable during any period of time that such a public benefit corporation has outstanding indebtedness issued on behalf of such municipality.

Fiscal Stress and State Emergency Financial Control Boards. Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its "property, affairs and government" by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature the State is authorized to intervene in the "property, affairs and governments" of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict , subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the "FRB"), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities and is authorized to offer grants and/or loans of up to $5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time, there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. The County has not requested FRB assistance nor does it reasonably expect to do so in the foreseeable future. School districts and fire districts are not eligible for FRB assistance.

Constitutional Non-Appropriation Provision. There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See "General Municipal Law Contract Creditors' Provision" herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Default Litigation. In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crisises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See "Nature of Obligation" and "State Debt Moratorium Law" herein.

No Past Due Debt. No principal of or interest on County indebtedness is past due. The County has never defaulted in the payment of the principal of and interest on any indebtedness.

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the County will enter into an undertaking to provide Material Event Notices with respect to the Notes, substantially the description of which can be found in "APPENDIX – D".

HISTORICAL CONTINUING DISCLOSURE COMPLIANCE

Except as noted below, the County is in compliance in all material respects within the last five years with all previous undertakings made pursuant to the Rule 15c2-12.

On December 18, 2020, the County entered into a lease financing agreement in the principal amount of $1,061,918 to finance highway trucks. The County did not file a material event notice within the 10 business day timeframe as required in its outstanding continuing disclosure undertakings. On January 7, 2021, the County filed a material event notice disclosing the financial obligation and failure to provide event filing information material event notice disclosing the late filing. Such lease agreement has since been fully paid off.

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Notes. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential investment risk.

The financial and economic condition of the County as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the County's control. There can be no assurance that adverse events in the State and in other jurisdictions, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the County to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes could be adversely affected.

The County is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and school districts in the State, including the County, in any year, the County may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the County. In some years, the County has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also "State Aid").

There are a number of general factors which could have a detrimental effect on the ability of the County to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the County. Unforeseen developments could also result in substantial increases in County expenditures, thus placing strain on the County's financial condition. These factors may have an effect on the market price of the Notes.

If a holder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Notes should elect to sell a Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Notes. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Notes is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

Amendments to U.S. Internal Revenue Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Notes and other debt issued by the County. Any such future legislation would have an adverse effect on the market value of the Notes (See "TAX MATTERS" herein).

The Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the County and continuing technical and constitutional issues raised by its enactment and implementation could have an impact upon the finances and operations of the County and hence upon the market price of the Notes. See "TAX LEVY LIMITATION LAW" herein.

Cybersecurity

The County, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the County faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. No assurances can be given that such security and operational control measures implemented would be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage County digital networks and systems and the costs of remedying any such damage could be substantial.

LITIGATION

The County is subject to a number of lawsuits in the ordinary conduct of its affairs. The County does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the County.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the County, threatened against or affecting the County to restrain or enjoin the issuance, sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the County taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the County.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel are set forth in "APPENDIX – E".

To the extent the issue price of any maturity of the Notes is less than the amount to be paid at maturity of such Notes (excluding amounts stated to be interest and payable at least annually over the term of such Notes), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Notes which is excluded from gross income for federal income tax purposes and exempt from State of New York personal income taxes. For this purpose, the issue price of a particular maturity of the Notes is the first price at which a substantial amount of such maturity of the Notes is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Notes accrues daily over the term to maturity of such Notes on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Notes to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Notes. Owners of the Notes should consult their own tax advisors with respect to the tax consequences of ownership of Notes with original issue discount, including the treatment of owners who do not purchase such Notes in the original offering to the public at the first price at which a substantial amount of such Notes is sold to the public.

Notes purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Notes") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of notes, like the Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an owner's basis in a Premium Note, will be reduced by the amount of amortizable bond premium properly allocable to such owner. Owners of Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The County has covenanted to comply with certain restrictions designed to ensure that interest on the Notes will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Notes being included in gross income for federal income tax purposes possibly from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Notes.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Notes or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes may otherwise affect an owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Notes for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the County, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The County has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the County or the owners regarding the tax-exempt status of the Notes in the event of an audit examination by the IRS. Under current procedures, owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt notes is difficult, obtaining an independent review of IRS positions with which the County legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Notes for audit, or the course or result of such audit, or an audit of notes presenting similar tax issues may affect the market price for, or the marketability of, the Notes, and may cause the County or the owners to incur significant expense.

Payments on the Notes generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate owner of Notes may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Notes and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Notes. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against an owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the respective approving legal opinion of Orrick, Herrington & Sutcliffe LLP as Bond Counsel. Bond Counsel's opinion will be in substantially the form attached hereto as "APPENDIX – E."

RATINGS

The Notes are NOT rated. Subject to the approval of the County, the purchaser(s) of the Notes may have a rating completed after the sale at the expense of the purchaser(s), including any fees to be incurred by the County, as such rating action may require the filing of a material event notification to EMMA, and/or the provision of a Supplement to the final Official Statement. (See "APPENDIX – C" herein).

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its rating of "AA-/Stable" to the County's outstanding general obligation bonds. Such ratings reflect only the view of such rating agency, and any desired explanation of the significance of such ratings should be obtained from Standard & Poor's Credit Market Services, 55 Water Street – 38th Floor, New York, New York 10041, (212) 438-7983. There can be no assurance that such rating will continue for any specified period of time or that such rating will not be revised downward or withdrawn by the rating agency furnishing the same if, in its judgment, circumstances so warrant.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the County on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the County and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the County or the information set forth in this Official Statement or any other information available to the County with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the County to the Municipal Advisor are partially contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the County, provided, however, the County assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the County management's beliefs as well as assumptions made by, and information currently available to, the County's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the County's files with the repositories. When used in County documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the County, expressed no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the County for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Notes, the County will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the County.

The Official Statement is submitted only in connection with the sale of the Notes by the County and may not be reproduced or used in whole or in part for any other purpose.

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at www.fiscaladvisors.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Fiscal Advisors & Marketing, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the County nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the County disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the County also assumes no liability or responsibility for any errors or omissions or for any updates to dated website information.

The County will act as Paying Agent for the Notes.

The County's contact information is as follows: Mary Ann Wollaber-Bryan, County Treasurer, 284 Main Street, P.O. Box 9, Schoharie County, New York 12157, Phone (518) 295-8386, Email: maryann.wollaber-bryan@co.schoharie.ny.us.

This Official Statement has been duly executed and delivered by the County Treasurer of the County of Schoharie.

COUNTY OF SCHOHARIE

Dated: April 24, 2025

/s/ Mary Ann Wollaber-Bryn
County Treasurer and Chief Fiscal Officer

GENERAL FUND

Balance Sheets

Fiscal Years Ending December 31:	2019	2020	2021	2022	2023
ASSETS					
Cash	$ 19,595,032	$ 20,530,414	$ 34,172,056	$ 44,113,123	$ 50,330,912
Restricted Cash	725,784	680,795	876,607	1,663,757	2,819,777
Investments	-	-	-	-	-
Receivables:					
Taxes, Interest, Penalties and Liens	12,550,099	11,973,632	11,269,679	10,809,302	11,035,946
Accounts	1,755,164	2,017,463	1,989,435	2,116,518	2,257,252
Due from Other Funds	10,347	178,081	201,553	251,541	219,152
State and Federal Receivables	6,014,696	9,379,856	6,193,450	6,617,285	7,393,087
Leases receivable	-	-	-	719,836	697,379
Due from Other Governments	4,683	8,590	13,522	14,147	9,574
Opioid Settlement Receivables	-	-	414,440	479,035	491,454
Prepaid Expenditures	799,274	402,531	406,661	476,764	502,589
TOTAL ASSETS	$ 41,455,079	$ 45,171,362	$ 55,537,403	$ 67,261,308	$ 75,757,122
LIABILITIES AND FUND EQUITY					
Accounts Payable and accrued expenses	$ 2,253,732	$ 2,576,679	$ 2,725,605	$ 2,922,582	$ 2,786,441
Bond Anticipation Notes	-	-	-	-	-
Other Liabilities	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Due to Other Governments	7,129,503	6,879,318	6,790,725	6,533,213	7,363,592
Unearned Revenue	-	-	3,512,997	6,775,455	5,575,004
Deferred Revenue	7,996,137	7,628,431	7,122,636	7,376,049	7,360,622
TOTAL LIABILITIES	$ 17,379,372	$ 17,084,428	$ 20,151,963	$ 23,607,299	$ 23,085,659
FUND EQUITY					
Nonspendable	$ 799,274	$ 402,531	$ 406,661	$ 476,764	$ 502,589
Restricted	725,784	680,795	876,607	1,663,756	2,819,777
Assigned	4,290,728	1,944,221	2,284,930	4,200,466	8,111,986
Unassigned	18,259,921	25,059,387	31,817,242	37,313,019	41,237,111
TOTAL FUND EQUITY	$ 24,075,707	$ 28,086,934	$ 35,385,440	$ 43,654,005	$ 52,671,463
TOTAL LIABILITIES, DEFERRED REVENUES AND FUND EQUITY	$ 41,455,079	$ 45,171,362	$ 55,537,403	$ 67,261,304	$ 75,757,122

Source: Audited financial reports of the County.
This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	2019	2020	2021	2022	2023
REVENUES					
Real Property Taxes	$ 21,933,163	$ 22,755,332	$ 23,070,877	$ 23,167,146	$ 22,604,968
Real Property Tax Items	3,477,296	3,366,068	3,233,143	4,056,318	3,559,252
Non-Property Tax Items	16,498,870	17,018,859	19,780,670	22,457,221	24,996,457
Departmental Income	5,053,398	4,529,820	5,017,472	5,316,963	5,699,013
Intergovernmental Revenues	175,777	127,167	116,900	226,418	547,567
Use of Money & Property	444,909	162,808	92,500	196,997	2,281,480
Licenses and Permits	44,262	39,717	46,650	47,663	51,945
Fines and Forfeitures	62,082	42,152	36,300	54,252	44,711
Sale of Property and Compensation for Loss	521,173	519,818	523,669	546,153	532,204
Miscellaneous Local Sources	1,293,118	393,106	750,752	524,271	445,813
State Aid	11,361,617	11,533,883	12,040,717	11,928,670	15,961,642
Federal Aid	8,299,166	11,455,018	8,432,040	10,712,246	8,616,464
Total Revenues	$ 69,164,831	$ 71,943,748	$ 73,141,690	$ 79,234,318	$ 85,341,516
EXPENDITURES					
General Government Support	$ 9,779,160	$ 9,406,075	$ 9,717,292	$ 11,081,008	$ 13,505,522
Education	1,570,206	1,099,941	970,188	1,332,825	1,382,956
Public Safety	7,126,013	7,430,807	9,770,638	8,758,984	9,210,003
Health	4,570,585	4,892,657	5,045,337	5,273,416	5,299,672
Transportation	1,182,030	1,261,717	889,858	1,071,814	1,418,324
Economic Assistance and Opportunity	19,280,836	18,171,182	17,392,269	20,218,788	21,527,850
Culture and Recreation	440,947	338,094	433,765	525,287	531,128
Home and Community Services	2,321,559	5,192,692	2,503,395	2,670,165	1,384,845
Employee Benefits	10,216,406	10,692,714	10,816,244	11,128,210	12,416,490
Debt Service	-	-	-	45,020	393,056
Total Expenditures	$ 56,487,742	$ 58,485,879	$ 57,538,986	$ 62,105,517	$ 67,069,846
Excess of Revenues Over (Under) Expenditures	$ 12,677,089	$ 13,457,869	$ 15,602,704	$ 17,128,801	$ 18,271,670
Other Financing Sources (Uses):					
Operating Transfers In	370	-	-	-	119,838
Operating Transfers Out	(10,906,861)	(9,446,642)	(8,304,198)	(8,860,234)	(9,374,056)
Total Other Financing	(10,906,491)	(9,446,642)	(8,304,198)	(8,860,234)	(9,254,218)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	1,770,598	4,011,227	7,298,506	8,268,567	9,017,452
FUND BALANCE					
Fund Balance - Beginning of Year	22,305,109	24,075,707	28,086,934	35,385,440	43,654,011
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 24,075,707	$ 28,086,934	$ 35,385,440	$ 43,654,011	$ 52,671,463

Source: Audited financial reports of the County. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending December 31:	2023			2024	2025
	Adopted Budget	Final Budget	Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	$ 22,597,987	$ 22,597,987	$ 22,604,968	$ 22,107,106	$ 22,569,302
Real Property Tax Items	3,254,907	3,254,907	3,559,252	3,302,356	3,130,821
Non-Property Tax Items	19,735,133	19,735,133	24,996,457	22,470,000	24,850,885
Departmental Income	5,026,210	5,083,505	5,699,013	5,207,081	4,983,225
Intergovernmental Revenues	369,154	380,571	547,567	427,350	380,744
Use of Money & Property	242,500	243,900	2,281,480	1,195,900	1,341,500
Licenses and Permits	44,574	43,174	51,945	44,000	48,000
Fines and Forfeitures	36,200	36,200	44,711	40,732	41,000
Sale of Property and Compensation for Loss	452,800	461,494	532,204	480,600	410,600
Miscellaneous Local Sources	790,750	791,457	445,813	788,000	472,200
State Aid	13,855,709	15,252,717	15,961,642	14,866,661	15,402,320
Federal Aid	8,442,305	13,903,805	8,616,464	8,465,758	7,993,332
Total Revenues	$ 74,848,229	$ 81,784,850	# $ 85,341,516	$ 79,395,544	$ 81,623,929
EXPENDITURES					
General Government Support	$ 13,236,552	$ 15,796,080	$ 13,505,522	$ 15,658,197	$ 15,279,783
Education	1,458,000	1,467,756	1,382,956	1,581,000	1,581,000
Public Safety	9,569,818	10,417,173	9,210,003	10,146,941	10,441,253
Health	6,548,756	7,441,147	5,299,672	6,514,796	6,324,522
Transportation	1,172,860	1,742,421	1,418,324	1,259,590	1,259,766
Economic Assistance and Opportunity	22,410,657	24,055,830	21,527,850	24,241,650	24,453,353
Culture and Recreation	542,961	570,809	531,128	616,168	619,218
Home and Community Services	1,521,559	3,901,478	1,384,845	1,485,460	1,465,956
Employee Benefits	12,119,100	12,437,800	12,416,490	13,797,800	15,498,300
Debt Service	-	-	393,056	-	-
Total Expenditures	$ 68,580,263	$ 77,830,494	$ 67,069,846	$ 75,301,602	$ 76,923,151
Excess of Revenues Over (Under) Expenditures	$ 6,267,966	$ 3,954,356	$ 18,271,670	$ 4,093,942	$ 4,700,778
Other Financing Sources (Uses):					
Operating Transfer In	-	-	119,838	-	-
Operating Transfers Out	(9,410,413)	(9,410,413)	(9,374,056)	(10,978,942)	(10,400,778)
Total Other Financing	(9,410,413)	(9,410,413)	(9,254,218)	(10,978,942)	(10,400,778)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(3,142,447)	(5,456,057)	9,017,452	(6,885,000)	(5,700,000)
FUND BALANCE					
Fund Balance - Beginning of Year	3,142,447	5,456,057	43,654,011	6,885,000	5,700,000
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 52,671,463	$ -	$ -

Source: Audited financial reports and budgets of the County.
This Appendix is not itself audited.

Changes In Fund Equity

Fiscal Year Ending December 31:	2019	2020	2021	2022	2023
COUNTY ROAD FUND					
Fund Equity - Beginning of Year	$ 4,144,850	$ 6,004,723	$ 7,419,606	$ 7,223,280	$ 5,676,873
Prior Period Adjustment					
Revenues & Other Sources	14,351,545	11,467,224	12,015,292	14,595,703	15,603,776
Expenditures & Other Uses	12,491,672	10,052,341	12,211,618	16,142,110	17,715,874
Fund Equity - End of Year	$ 6,004,723	$ 7,419,606	$ 7,223,280	$ 5,676,873	$ 3,564,775
ROAD MACHINERY FUND					
Fund Equity - Beginning of Year	$ 97,885	$ 82,187	$ 157,292	$ 328,910	$ 183,244
Prior Period Adjustment	-				
Revenues & Other Sources	1,859,369	1,227,678	2,305,231	1,669,913	1,561,470
Expenditures & Other Uses	1,875,067	1,152,573	2,133,613	1,815,579	1,589,221
Fund Equity - End of Year	$ 82,187	$ 157,292	$ 328,910	$ 183,244	$ 155,493
CAPITAL PROJECTS FUND					
Fund Equity - Beginning of Year	$ (4,078,865)	$ (9,680,151)	$ (11,425,456)	$ (11,628,941)	$ (11,797,572)
Prior Period Adjustment	-				
Revenues & Other Sources	17,255,867	1,437,184	26,890	75,991	8,549,269
Expenditures & Other Uses	22,857,153	3,182,489	230,375	244,622	1,593,747
Reversal of Revenue Recognized	-	-	-	-	-
Fund Equity - End of Year	$ (9,680,151)	$ (11,425,456)	$ (11,628,941)	$ (11,797,572)	$ (4,842,050)

Source: County financial reports.
This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending December 31st	Principal	Interest	Total
2025	$ 645,000	$ 260,500.00	$ 905,500.00
2026	670,000	234,200.00	904,200.00
2027	700,000	206,800.00	906,800.00
2028	725,000	178,300.00	903,300.00
2029	755,000	148,700.00	903,700.00
2030	785,000	117,900.00	902,900.00
2031	820,000	85,800.00	905,800.00
2032	850,000	52,400.00	902,400.00
2033	885,000	17,700.00	902,700.00
TOTALS	$ 6,835,000	$ 1,302,300.00	$ 8,137,300.00

CURRENT BONDS OUTSTANDING

Fiscal Year Ending December 31st	2023 Stream Bank Stabilization Principal	Interest	Total
2025	$ 645,000	$ 260,500.00	$ 905,500.00
2026	670,000	234,200.00	904,200.00
2027	700,000	206,800.00	906,800.00
2028	725,000	178,300.00	903,300.00
2029	755,000	148,700.00	903,700.00
2030	785,000	117,900.00	902,900.00
2031	820,000	85,800.00	905,800.00
2032	850,000	52,400.00	902,400.00
2033	885,000	17,700.00	902,700.00
TOTALS	$ 6,835,000	$ 1,302,300.00	$ 8,137,300.00

COUNTY OF SCHOHARIE, NEW YORK

AUDITED FINANCIAL REPORT

December 31, 2023

Such Audited Financial Statement and opinion were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

COUNTY OF SCHOHARIE, NEW YORK

Financial Statements and Required Reports under Uniform Guidance as of December 31, 2023 Together with Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

C O N T E N T S

C O N T E N T S (Continued)

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

September 13, 2024

To the Chairman and Members of the Board of Supervisors of the
County of Schoharie:

Report on the Audit of the Financial Statements

Opinions
We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the County of Schoharie, New York (County) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the County, as of December 31, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle
As discussed in Note 20 to the financial statements, during the year ended December 31, 2023, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96 – *Subscription-based Information Technology Agreements.* Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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(Continued)

***Responsibilities of Management for the Financial Statements* (Continued)**
In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedules of changes in total OPEB liability and related ratios, contributions-pension plans, and proportionate share of net pension liability (asset) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

(Continued)

INDEPENDENT AUDITOR'S REPORT
(Continued)

***Required Supplementary Information* (Continued)**
We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Our discussion and analysis of County of Schoharie, New York's (County) financial performance provides an overview of the County's financial activities for the year ended December 31, 2023. This document should be read in conjunction with the County's financial statements.

FINANCIAL HIGHLIGHTS

Schoharie County has made significant progress in its struggle to recover from the damage caused by Hurricane Irene on August 28, 2011. Recovery has cost the County $98.6 million through December 31, 2023, to replace and repair County bridges, roads and buildings as well as to replace equipment and documents. At the same date, the County has received $91.2 million in disaster assistance reimbursements. The remaining balance will be the County's local share.

The County's net position increased by $9,079,569 as a result of this year's activity, which is illustrated in the statement of activities.

The County's $87,673,780 in governmental expenses was partially funded with program revenue of $42,140,167 with the balance of $54,613,182 funded with general revenue, which is illustrated in the statement of activities.

The modified 2023 General Fund budget planned for a reduction in the general fund balance of $5.5 million; however, the County had an actual increase in general fund balance of approximately $9.0 million, which is illustrated in the statement of revenue, expenditures, encumbrances, and changes in fund equity - budget and actual - general fund. This increase was due in part to unexpected revenues, in excess of budget (i.e., sales tax and interest earned) with the remainder attributed to reducing spending throughout the year (i.e., personnel and benefits).

USING THIS ANNUAL REPORT

This annual report consists of a set of financial statements and accompanying notes. The statement of net position and the statement of activities provide information about the activities of the County as a whole and present a long-term view of the County's finances. For governmental activities, these statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

REPORTING THE COUNTY AS A WHOLE

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The statement of net position and the statement of activities report information about the County as a whole and about its activities in a manner that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

REPORTING THE COUNTY AS A WHOLE (Continued)

These two statements report the County's net position and changes in them. You can think of the County's net position – the difference between assets and liabilities – as one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the County's property tax base and the condition of the County's roads, to assess the overall health of the County.

In the statement of net position and the statement of activities, the County reports the following activities:

Governmental Activities – Substantially all of the County's basic services are reported here, including public safety, public works, economic assistance, health, parks, and general support. Property taxes, sales taxes, franchise fees, and state and federal grants finance most of these activities.

REPORTING THE COUNTY'S MOST SIGNIFICANT FUNDS

Our analysis of the County's major funds provides detailed information about the most significant funds – not the County as a whole. Certain funds are required to be established by State law. Additionally, the County board of supervisors may establish other funds to help it control and manage resources for particular purposes.

> Governmental Funds – Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for expenditure. These funds are reported using the modified accrual method of accounting, which measures cash and all other financial position that can readily be converted to cash, as well as liabilities that will be paid using these resources. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be expended in the near future to finance the County's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in reconciliations to the fund financial statements.

THE COUNTY AS TRUSTEE

The County is responsible for assets that – because of trust arrangements – can be used only for the trust beneficiaries. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE COUNTY AS A WHOLE (Continued)

The beginning net position was a surplus of $44,067,963. For the year ended December 31, 2023 total net position increased $9,079,569. The analysis that follows focuses on the net position and changes in net position (Table 1) of the County's governmental activities.

Capital assets increased from $133.8 million in 2022 to $135.7 million in 2023. The increase is mostly attributable to infrastructure improvements as the County recovers from the effects of the 2011 storm.

Long-term liabilities of the County declined during the year, decreasing from $150.6 million in 2022 to $143.6 million in 2023. The decrease is predominantly attributable to the other postemployment benefits liability.

In addition, current liabilities showed a decrease during the year, from $47.0 million in 2022 to $34.0 million in 2023. Most of this decrease is due to reduction of BANs outstanding.

Table 1
Net Position (In Millions)
Rounded

	2023 Governmental Activities	2022 Governmental Activities
Current and other assets	$ 97.4	$ 101.0
Non-current assets	136.8	139.9
Total assets	234.2	240.9
Deferred outflows of resources	30.0	34.6
Long-term liabilities	143.6	150.6
Current liabilities	34.0	47.0
Total liabilities	177.6	197.6
Deferred inflows of resources	33.5	33.9
Net position:		
Invested in capital assets, net of related debt	120.9	118.6
Restricted	4.4	2.5
Unrestricted	(72.2)	(77.1)
Total net position	$ 53.1	$ 44.1

THE COUNTY AS A WHOLE (Continued)

Table 2 presents Governmental revenue for 2023 and 2022 showing an overall 10.5% increase in revenue from the prior year. The significant year over year changes were increases in DSS state program revenue of $3.67 million, sales tax of $2.51 million and interest earnings of $2.21 million.

Table 2
Change in Net Position (In Millions)
Rounded

	2023 Governmental Activities	2022 Governmental Activities
Revenue:		
Program revenue:		
Charges for services	$ 10.4	$ 8.5
Operating grants	31.7	28.6
General revenue:		
Property taxes	22.6	22.6
Other taxes	28.6	26.5
Other general revenue	3.4	1.3
Total revenue	$ 96.7	$ 87.6

Table 2a presents Governmental activities showing an overall 10.0% increase in program expenses in 2023 over 2022. The significant year over year changes were increases to ARPA projects of $1.1 million, highway infrastructure repairs of $1.4 million, wages and benefits of $3 million and capital projects of $1.35 million.

Table 2a
Change in Net Position (In Millions)
Rounded

	2023 Governmental Activities	2022 Governmental Activities
Program expenses:		
General governmental support	$ 18.1	$ 15.4
Education	1.4	1.3
Public safety	16.4	11.8
Health	8.7	7.2
Transportation	17.7	16.7
Economic assistance and opportunity	22.4	23.2
Culture and recreation	0.8	0.6
Home and community services	1.4	2.8
Debt service	0.8	0.6
Total expenses	$ 87.7	$ 79.7

THE COUNTY AS A WHOLE (Continued)

Table 3 presents the cost of each of the County's three largest governmental programs: economic assistance and opportunity, general government support, and transportation – as well as each program's net cost (total cost less revenue generated by the activities). The net cost shows the financial burden that was placed on the County's taxpayers by each of these functions.

Table 3
Governmental Activities (In Millions)

	2023				2022			
	Total Cost of Services		Net Cost of Services		Total Cost of Services		Net Cost of Services	
Economic assistance and opportunity	$	22.4	$	7.5	$	23.2	$	9.3
General governmental support		18.1		12.9		15.4		13.0
Transportation		17.7		7.4		16.7		7.2
All others		29.5		17.7		24.4		13.1
Totals	$	87.7	$	45.5	$	79.8	$	42.6

Table 3 overall shows that the net actual cost of all functions of the County increased by $2.9 million.

THE COUNTY'S FUNDS

As the County completed the year, its governmental funds reported a combined fund balance of $51.5 million, which was $13.8 million greater than last year's total of $37.7 million. The General Fund is the chief operating fund of the County. As of December 31, 2023, the General Fund unassigned fund balance was $41.2 million.

The County Road fund ended the year with $3.6 million of fund balance, which was $2.1 million less than last year's fund balance.

The Capital Projects fund expended $1.6 million as the County continues to rebuild. Its $4.8 million fund deficit will be eliminated in future years as BANs are redeemed or replaced with long term debt.

GENERAL FUND BUDGETARY HIGHLIGHTS

The County's original budget was increased by approximately $9.2 million during the course of the year. This increase was spread across many County functions, with General Government support, Home & Community Services, and Economic Assistance and Opportunity being the main contributors. General Government Support increased the budget by $2.6 million, mostly due to ARPA funded projects not included in the budget and Legal Defense of indigents increased spending. Home & Community Services increased the budget by $2.4 million, mostly due to CDBG grants added during the year and ARPA funded projects not in the original budget. Economic Assistance and Opportunity increased the budget by $1.6 million, mostly due to increases in DSS programs and ARPA funded projects not in the original budget.

Even with these adjustments, the actual charges to appropriations (expenditures) were $10.8 million less than the final budget amounts. This was spread throughout all functions.

Hurricane Irene caused physical damage from flooding to the County's capital assets. As a result, certain assets were destroyed and other assets, specifically buildings, require restoration efforts to restore their service utility. The County evaluated its capital assets in accordance with GASB 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries.*

DEBT

During 2023 the County renewed BANs and issued new BANs totaling $7.6 million. The County estimates approximately 95% to 97% of the flood remediation expenditures will be funded through a combination of insurance proceeds, FEMA and SEMO aid reimbursement.

It should however be noted here that the EWP Streambank Stabilization Project is not considered to be a part of the FEMA-funded, hurricane-related, flood remediation expenses. The EWP project would more correctly be labeled as a county-sponsored "streambed erosion control project" undertaken by Schoharie County on privately-owned properties, and partially funded by NRCS/USDA. Therefore, the EWP project is unlikely to receive the same level of reimbursement as the flood remediation projects. (see item #18 on page 42, 'Flood Recovery')

In December 2020, the County entered into an Installment Purchase Agreement for 5 Highway trucks. The $1,061,918 agreement is for a 4 year term, maturing December 2024. 5 equal payments, including the initial payment paid at signing are due each December through maturity.

The County's long-term liabilities consist of other postemployment benefits (OPEB), pension and compensated absences. OPEB represents the County's estimated future liability for the cost of providing benefits (primarily health insurance) to its employees upon their retirement. Compensated absences represent the estimated liability due to employees for accumulated vacation and/or sick time upon the employee's retirement/termination. Pension liabilities represent the County's proportionate share of unfunded NYS ERS obligations.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal year 2024 budget, such as tax rates and fees that will be charged. Highlights of the 2024 budget include:

- In the 2024 adopted budget, the tax levy decreased $491 thousand or 2.17%.
- Further, overall assessed property values increased by $66.7 million or 4.18%.
- For the first half of 2024, sales tax collections are up by $347 thousand compared to the same period in 2023.
- Retirement costs are expected to increase by $574 thousand in 2024 as compared to 2023.
- On August 28, 2011, Schoharie County was struck by Hurricane Irene causing catastrophic damage to the County. As of the date of this report, it is estimated that the damages to the County's roads, bridges and government buildings will total approximately $90-$100 million. The County anticipates that 93% of the cost of repairing this infrastructure will be reimbursable by FEMA, SEMO or recovered through insurance proceeds. This will leave approximately $7.6 million as the County's share of the recovery costs. Fortunately, Schoharie County has a solid unassigned fund balance. For the long term, there will be some negative impact on the tax base of the County due to residential and commercial damage resulting from the flooding, which will likely reduce property values and slightly decrease population figures.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Treasurer's Office at P.O. Box 9, Schoharie, NY 12157.

COUNTY OF SCHOHARIE, NEW YORK

STATEMENT OF NET POSITION
DECEMBER 31, 2023

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents - unrestricted	$ 56,335,797
Cash and cash equivalents - restricted	4,578,519
Taxes receivable, net of allowance	11,035,946
Accounts receivable	2,326,243
State and federal receivables	22,278,537
Due from other governments	25,439
Lease receivable, current	22,938
Opioid settlement receivables, current	23,429
Due from fiduciary fund	218,665
Prepaid expenditures	554,511
Total current assets	97,400,024
NONCURRENT ASSETS:	
Capital assets, net	135,651,124
Lease receivable, net of current portion	674,441
Opioid settlement receivables, net of current portion	468,025
Total noncurrent assets	136,793,590
Total assets	234,193,614
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred outflows of resources - pension	11,598,831
Deferred outflows of resources - OPEB	18,434,709
Total deferred outflows of resources	30,033,540
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable and accrued expenses	3,590,627
Accrued interest	473,739
Bond anticipation notes	7,600,000
Current portion of leases payable	39,663
Current portion of SBITAs payable	340,977
Current portion of other postemployment benefits	4,419,939
Current portion of bonds payable	1,275,000
Current portion of installment purchase debt	216,791
Due to other governments	7,608,999
Unearned revenue	8,292,173
Current portion of compensated absences	169,220
Total current liabilities	34,027,128
LONG-TERM LIABILITIES:	
Bonds payable	10,394,625
Compensated absences, net of current portion	1,611,441
Net pension liability	15,617,018
Leases payable, net of current portion	114,046
SBITAs payable, net of current portion	214,276
Total other postemployment benefits, net of current portion	115,648,228
Total long-term liabilities	143,599,634
Total liabilities	177,626,762
DEFERRED INFLOWS OF RESOURCES:	
Deferred inflows of resources - pension	1,189,526
Deferred inflows of resources - leases	697,379
Deferred inflows of resources - OPEB	31,565,955
Total deferred inflows of resources	33,452,860
NET POSITION	
Net investment in capital assets	120,924,901
Restricted	4,408,903
Unrestricted	(72,186,272)
Total net position	$ 53,147,532

The accompanying notes are an integral part of these statements.

COUNTY OF SCHOHARIE, NEW YORK

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants	Program Revenue: Capital Grants	Net (Expense) Revenue and Changes in Net Position
GOVERNMENTAL ACTIVITIES:					
General governmental support	$ 18,134,576	$ 2,593,239	$ 2,654,590	$ -	$ (12,886,747)
Education	1,382,956	-	374,510	-	(1,008,446)
Public safety	16,400,376	836,315	1,214,514	4,000	(14,345,547)
Health	8,688,721	3,547,673	4,763,654	-	(377,394)
Transportation	17,659,881	2,544,809	7,668,934	-	(7,446,138)
Economic assistance and opportunity	22,403,693	462,930	14,433,762	-	(7,507,001)
Culture and recreation	821,422	229,398	34,701	-	(557,323)
Home and community services	1,425,685	210,075	567,063	-	(648,547)
Debt service - interest	756,470	-	-	-	(756,470)
Total governmental activities	$ 87,673,780	$ 10,424,439	$ 31,711,728	$ 4,000	(45,533,613)
GENERAL REVENUE:					
Real property taxes					22,599,579
Real property tax items					3,559,252
Sales and use taxes					24,996,457
Use of money and property					2,491,694
Opioid settlement revenues					12,419
Sale of property and compensation for loss					953,781
Total general revenue					54,613,182
CHANGE IN NET POSITION					9,079,569
TOTAL NET POSITION - beginning of year					44,067,963
TOTAL NET POSITION - end of year					$ 53,147,532

The accompanying notes are an integral part of these statements.

COUNTY OF SCHOHARIE, NEW YORK

BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General	County Road	Capital Projects	Non-Major Funds	Total Governmental Funds
ASSETS:					
Cash and cash equivalents - unrestricted	$ 50,330,912	$ 329,449	$ 5,469,155	$ 206,281	$ 56,335,797
Cash and cash equivalents - restricted	2,819,777	1,758,742	-	-	4,578,519
Taxes receivable, net of allowance	11,035,946	-	-	-	11,035,946
Accounts receivable	2,257,252	57,394	-	11,597	2,326,243
Due from other funds	219,152	-	-	-	219,152
Due from other governments	9,574	15,865	-	-	25,439
Leases receivable	697,379	-	-	-	697,379
Opioid settlement receivables	491,454	-	-	-	491,454
State and federal receivables	7,393,087	2,345,063	12,540,387	-	22,278,537
Prepaid expenditures	502,589	51,922	-	-	554,511
Total assets	$ 75,757,122	$ 4,558,435	$ 18,009,542	$ 217,878	$ 98,542,977
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE:					
LIABILITIES:					
Accounts payable and accrued expenses	$ 2,786,441	$ 736,516	$ 5,285	$ 62,385	$ 3,590,627
Bond anticipation notes	-	-	7,600,000	-	7,600,000
Due to other funds	-	487	-	-	487
Unearned revenue	5,575,004	11,250	2,705,919	-	8,292,173
Due to other governments	7,363,592	245,407	-	-	7,608,999
Total liabilities	15,725,037	993,660	10,311,204	62,385	27,092,286
DEFERRED INFLOWS OF RESOURCES:					
Deferred property taxes	6,171,789	-	-	-	6,171,789
Deferred opioid settlement revenue	491,454	-	-	-	491,454
Deferred leases	697,379	-	-	-	697,379
Deferred state and federal reimbursement	-	-	12,540,387	-	12,540,387
Total deferred inflows	7,360,622	-	12,540,387	-	19,901,009
FUND BALANCE:					
Nonspendable					
Prepaid expenditures	502,589	51,922	-	-	554,511
Restricted					
Capital reserve	51,773	-	-	-	51,773
Repair reserve	2,916	-	-	-	2,916
Other restricted fund balance	2,765,088	1,589,126	-	-	4,354,214
Total restricted fund balance	2,819,777	1,589,126	-	-	4,408,903
Assigned					
Appropriated for subsequent year's expenditures	6,800,000	-	-	-	6,800,000
Unappropriated fund balance	1,311,986	1,923,727	-	155,493	3,391,206
Total assigned fund balance	8,111,986	1,923,727	-	155,493	10,191,206
Unassigned	41,237,111	-	(4,842,049)	-	36,395,062
Total fund balance	52,671,463	3,564,775	(4,842,049)	155,493	51,549,682
Total liabilities, deferred inflows of resources and fund balance	$ 75,757,122	$ 4,558,435	$ 18,009,542	$ 217,878	$ 98,542,977

COUNTY OF SCHOHARIE, NEW YORK

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	General	County Road	Capital Projects	Non-Major Funds	Total Governmental Funds
REVENUE:					
Real property taxes	$ 22,604,968	$ -	$ -	$ -	$ 22,604,968
Real property tax items	3,559,252	-	-	-	3,559,252
Sales and use taxes	24,996,457	-	-	-	24,996,457
Departmental income	5,699,013	-	-	1,463,168	7,162,181
Intergovernmental charges	547,567	491,804	-	19,517	1,058,888
Use of money and property	2,281,480	158,933	51,188	93	2,491,694
Licenses and permits	51,945	-	-	-	51,945
Fines and forfeitures	44,711	-	-	-	44,711
Sale of property and compensation for loss	532,204	342,885	-	78,692	953,781
Miscellaneous local sources	445,813	-	-	-	445,813
State aid	15,961,642	5,447,437	495,081	-	21,904,160
Federal aid	8,616,464	1,192,104	3,000	-	9,811,568
Total revenue	85,341,516	7,633,163	549,269	1,561,470	95,085,418
EXPENDITURES:					
General governmental support	13,505,522	-	12,925	-	13,518,447
Education	1,382,956	-	-	-	1,382,956
Public safety	9,210,003	-	-	-	9,210,003
Health	5,299,672	-	-	-	5,299,672
Transportation	1,418,324	15,619,704	-	1,367,834	18,405,862
Economic assistance and opportunity	21,527,850	-	-	-	21,527,850
Culture and recreation	531,128	-	-	-	531,128
Home and community services	1,384,845	-	1,580,822	-	2,965,667
Employee benefits	12,416,490	2,096,170	-	-	14,512,660
Debt service - principal	377,708	-	-	987,290	1,364,998
Debt service - interest	15,348	-	-	673,897	689,245
Total expenditures	67,069,846	17,715,874	1,593,747	3,029,021	89,408,488
Excess (deficiency) of revenue over expenditures	18,271,670	(10,082,711)	(1,044,478)	(1,467,551)	5,676,930
OTHER SOURCES (USES):					
Premium on bond issued	-	-	690,000	36,357	726,357
Proceeds from bond issuance	-	-	7,310,000	-	7,310,000
Proceeds from SBITAs	119,838	-	-	-	119,838
Interfund transfers in	-	7,970,613	-	1,403,443	9,374,056
Interfund transfers (out)	(9,374,056)	-	-	-	(9,374,056)
Total other sources (uses)	(9,254,218)	7,970,613	8,000,000	1,439,800	8,156,195
NET CHANGE IN FUND BALANCE	9,017,452	(2,112,098)	6,955,522	(27,751)	13,833,125
FUND BALANCE - beginning of year	43,654,011	5,676,873	(11,797,571)	183,244	37,716,557
FUND BALANCE - end of year	$ 52,671,463	$ 3,564,775	$ (4,842,049)	$ 155,493	$ 51,549,682

The accompanying notes are an integral part of these statements.

COUNTY OF SCHOHARIE, NEW YORK

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Fund balance, all governmental funds	$ 51,549,682
Amounts reported for governmental activities in the Statement of Net Position are different due to the following:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	135,651,124
Pension related government wide activity:	
Deferred outflows of resources	11,598,831
Net pension liability	(15,617,018)
Deferred inflows of resources	(1,189,526)
Long-term liabilities are not due and payable in the current period and are, therefore not reported in the funds:	
Compensated absences	(1,780,661)
Installment purchase debt	(216,791)
Bonds payable	(11,669,625)
Leases payable	(153,709)
SBITAs payable	(555,253)
OPEB related government-wide activity:	
Total OPEB liability	(120,068,167)
Deferred outflows of resources	18,434,709
Deferred inflows of resources	(31,565,955)
Opioid settlement revenues are not available to pay for current period expenditures and are, therefore deferred in the funds	491,454
Debt interest expenditures are recorded on the modified accrual in the funds but on the full accrual basis of accounting in the government-wide financial statements	(473,739)
Deferred property tax income earned in the current year is recognized as revenue under the accrual basis of accounting	6,171,789
Deferral of state and federal reimbursement in the funds was previously recognized as revenue in the government-wide financial statements	12,540,387
Net position of governmental activities	$ 53,147,532

The accompanying notes are an integral part of these statements.

COUNTY OF SCHOHARIE, NEW YORK

RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Net change in fund balance - Total governmental funds	$ 13,833,125
Capital outlays, net of disposals, are expenditures in governmental funds, but are capitalized in the statement of net position	8,709,531
Depreciation is not recorded as a expenditure in the governmental funds, but is recorded in the statement of activities	(6,619,612)
Amortization is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities	(387,038)
Proceeds of long-term debt are recorded as other sources in the governmental funds, but are recorded as additions of liabilities in the statement of net position.	(7,310,000)
Pension expense is not recorded as an expenditure in the government funds but is recorded in the statement of activities	(2,846,636)
Compensated absences do not require the expenditure of current resources and are, therefore, are not reported as expenditures in the governmental funds	(102,812)
Bond premium is amortized in the government-wide financial statements	58,133
Repayments of long-term debt are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position	987,290
Repayments of long-term lease and SBITA liabilities are recorded as expenditures in the governmental funds, but are recorded as payments of liabililities in the statement of net position	394,761
Opioid settlement revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds	12,419
State and federal reimbursement previously recognized as revenue in the government-wide financial statements were recognized as revenue in the fund financial statements	934,544
Accrued total postemployment benefits do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds	1,546,611
Interest accrued on outstanding debt is not recorded as expenditures in the governmental funds but are recorded in the statement of activities	(125,358)
Property tax revenue is recorded to the extent it is received within 60 days of year-end for governmental funds, but in the statement of activities this revenue is recorded as earned upon levy	(5,389)
Change in net position - governmental activities	$ 9,079,569

The accompanying notes are an integral part of these statements.

COUNTY OF SCHOHARIE, NEW YORK

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
DECEMBER 31, 2023

	Private Purpose Trust Funds	Custodial Funds	Total
ASSETS:			
Cash - restricted	$ 881	$ 1,037,062	$ 1,037,943
Accounts receivable	-	10,992	10,992
Total assets	881	1,048,054	1,048,935
LIABILITIES:			
Due to other funds	$ -	$ 218,665	$ 218,665
Due to other governments	-	209,673	209,673
Other liabilities	881	212,562	213,443
Total liabilities	881	640,900	641,781
NET POSITION:			
Restricted for others	$ -	$ 407,154	$ 407,154

COUNTY OF SCHOHARIE, NEW YORK

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Private Purpose Trust Funds	Custodial Funds	Total
ADDITIONS:			
Taxes and other revenue collected for other governments	$ -	$ 3,053,766	$ 3,053,766
Amounts collected on behalf of individuals	-	1,675,404	1,675,404
Bail	-	61,565	61,565
Interest	-	3,376	3,376
Total additions	-	4,794,111	4,794,111
DEDUCTIONS:			
Payments of tax and other revenue to other governments	-	3,436,399	3,436,399
Amounts paid on behalf of individuals	-	1,296,494	1,296,494
Bail returned	-	61,064	61,064
Total deductions	-	4,793,957	4,793,957
NET INCREASE	-	154	154
NET POSITION - beginning of year	-	407,000	407,000
NET POSITION - end of year	$ -	$ 407,154	$ 407,154

The accompanying notes are an integral part of these statements.

1. NATURE OF OPERATIONS

County of Schoharie, New York (County) is located in east-central New York State and is primarily agricultural in nature. The County encompasses 622 square miles and has a population of approximately 30,000. The County provides the following principal services: maintenance and improvement of County roads and bridges; economic assistance and opportunity; public safety and law enforcement; health and nursing services; educational and cultural assistance; public transportation service and maintenance of the environment.

Reporting Entity
The County was created on April 6, 1795, and is governed by County law and other general laws of the State of New York, as well as various local laws and ordinances. Each of the sixteen towns of the County elects a supervisor who serves as a member of the County Board of Supervisors. The Board uses a weighted voting system based on the ratio of each town's population to the total County population. The Chairman of the Board of Supervisors serves as Chief Executive Officer and the County Treasurer serves as Chief Fiscal Officer. Other elected officials include the County Sheriff, District Attorney and Clerk; each of whom are elected for four year terms.

The position of County Administrator was created in 2015. The County Administrator, Attorney and various Commissioners are appointed by the Board of Supervisors.

The decision to include a potential component unit in the County's reporting entity is based upon several criteria set forth in generally accepted accounting principles, including legal standing, fiscal dependency, financial accountability, selection of governing authority, ability to significantly influence operations, and the primary government's economic benefit from resources of the affiliated entity.

Based on the foregoing criteria, all governmental activities and functions that should be included in the County's reporting entity are included in the accompanying financial statements except for:

Soil and Water Conservation District
A board of directors, which is appointed by the County Board of Supervisors, has the direct responsibility for the operations of the soil and water conservation district. The County Board retains general oversight responsibility. Financial activity of the district is considered immaterial to the County and is not included in the financial statements.

Schoharie County Industrial Development Agency (IDA)
A board of directors, which is appointed by the County Board of Supervisors, has the direct responsibility and oversight for the operations of the IDA. The IDA operates independently of the County with no active role taken by the County in the operation of the IDA. Based on the foregoing, financial activity of the IDA is not included in the financial statements.

Schoharie County Capital Resource Corporation (CRC)
The County is the sole member of the CRC. Financial activity of the CRC is considered immaterial to the County and is not included in the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

The County's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities; and fund level financial statements which provide a more detailed level of information.

Government-Wide Financial Statements
The statement of net position and the statement of activities present financial information about the County's governmental activities. These statements include the financial activities of the government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenue, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the County's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenue includes charges paid by the recipients of goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

Fund Financial Statements
The County uses funds to maintain its accounting records. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The fund statements provide information about the County's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The accounts of the County are organized into funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenue, and expenditures. The various funds are summarized by type in the financial statements. Significant transactions between funds within a fund type have been eliminated. The fund types used by the County are as follows:

1. Governmental Funds - Governmental funds are those through which most governmental functions of the County are financed. The acquisition, use and balances of the County's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of financial position and changes in financial position.

   The following are the County's major governmental funds:

   - General Fund - The general fund is the principal fund of the County and includes all operations not required to be recorded in other funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

- County Road Fund – The County Road Fund is used to account for expenditures for highway purposes authorized by Section 114 of the Highway Law.

- Capital Projects Fund – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital assets.

The following are the County's non-major governmental funds:

- Road Machinery Fund – The Road Machinery Fund is used to account for the purchase, repair, maintenance, and storage of highway machinery, tools, and equipment pursuant to Section 133 of the Highway Law.

- Debt Service Fund – The Debt Service Fund is used to account for the financial resources and uses of the County's debt activities.

2. Fiduciary Funds – Fiduciary funds are used to account for assets held by the County in a fiduciary capacity on behalf of others.

   - Custodial Funds - Custodial funds are used for the purpose of accounting for money and/or property received and held in the capacity of trustee, custodian, or agent. Securities pledged by banking institutions to secure funds on deposit are not included herein because such securities are not assets of the County.

   - Private Purpose Trust Fund – The Private Purpose Trust Fund is used to account for resources provided to the County for a stipulated purpose.

Basis of Accounting and Measurement Focus
Measurement focus refers to what is being measured, whereas basis of accounting refers to when revenues and expenditures are recognized. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Accrual Basis of Accounting
The County-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources focus means all assets and all liabilities associated with the operation (whether current or non-current) of the County are included in the statement of net position and the statement of activities presents increases (revenues) and decreases (expenses) in total assets. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place.

Non-exchange transactions in which the County gives or receives value without directly receiving or giving equal value in exchange include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Modified Accrual Basis of Accounting
The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and liabilities are included in the balance sheet.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Modified Accrual Basis of Accounting (Continued)

Under the modified accrual basis of accounting, revenue is recorded when it is susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter (within 60 days of year-end) to be used to pay liabilities of the current period. Expenditures, other than interest on long-term debt, pension contributions, and compensated absences, are recorded when the liability is incurred, if measurable.

Basis of Accounting and Measurement Focus

In applying the susceptible-to-accrual concept to state and federal aid, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of this revenue. In one, monies must be expended on the specific purpose or project before any amounts are recorded as revenue by the County; therefore, revenue is recognized based upon the expenditures recorded. In the other, monies are substantially unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are generally reflected as revenue at the time of receipt.

Sales taxes collected and held by the state at year-end on behalf of the County are also recognized as revenue.

General Budget Policies

The County employs the following budgetary procedures:

- During August of each year, budget request forms are provided to Department Heads who must complete them by September 1. During September, the Budget Officer review the requests and makes revisions as necessary.

- No later than October 15, the Budget Officer submits a tentative budget to the Board of Supervisors for the fiscal year commencing the following January 1st. The tentative budget includes proposed expenditures and the proposed means of financing for the following funds: general fund, county road fund, and road machinery fund.

- After public hearings are conducted to obtain taxpayers' comments, but no later than December 20, the Board of Supervisors adopts the budget.

- All modifications to the adopted budget must be approved by the Board of Supervisors.

- Budgetary controls are established for the capital projects fund through resolutions authorizing individual projects that remain in effect for the life of the project.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as reservations of fund balance because they do not constitute current year expenditures, but will be honored through budget appropriations in the subsequent year.

Budgetary Basis of Accounting

Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. The budget and actual comparison for special revenue funds included in the statement of revenue and expenditures – budget and actual - reflects budgeted and actual amounts for funds with legally authorized (appropriated) budgets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Basis of Accounting (Continued)
The general fund budget has been amended by approval of the Board of Supervisors as follows during 2023:

	General
Original budget	$ 77,990,676
Appropriation adjustments	9,250,231
Amended budget	$ 87,240,907

The significant adjustments were for ARPA funded projects not included in the budget of $3.95 million, DSS program increases of $1.2 million, Legal Defense of Indigents increases of $.57 million, and CDBG grant increases of $.35 million.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents
Cash and cash equivalents consists of funds deposited in demand deposit accounts, and amounts with the New York Cooperative Liquid Assets Securities System (NYCLASS). The County's investment policies are governed by State statutes. In addition, the County has its own written investment policy. County funds must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Treasurer is authorized to use demand accounts and certificates of deposits. Permissible investments include NYCLASS, obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements, and obligations of New York State or its localities. Certificates of deposit are stated at cost, which approximates fair value and the corresponding interest rate does not fluctuate with the market.

Collateral is required for demand deposits and non-demand deposits not covered by federal depository insurance. The fair value of the collateral is required at all times to equal or exceed the principal amount. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

Deposits at year end were entirely covered by FDIC insurance and/or collateral held by a custodian in the County's name.

Investments
The County is restrained by New York State statutes, to very limited investment options. Consistent with these statutory limitations, the County's policy is to invest in 1) certificates of deposit or time deposit accounts that are fully secured, 2) obligations of New York State, 3) obligation of the United States of America, 4) obligations of agencies of the USA where payments are guaranteed by the USA and 5) revenue anticipation or tax anticipation notes of other NYS governments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to January 1, 2003. For assets acquired prior to January 1, 2003, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

Capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is $12,000. Depreciation method and estimated useful lives of capital assets reported in the County-wide statements are as follows:

	Depreciation Method	Estimated Useful Life
Land	N/A	N/A
Construction in progress	N/A	N/A
Land improvements	Straight-line	30
Buildings and improvements	Straight-line	30-50
Infrastructure	Straight-line	15-75
Machinery and equipment	Straight-line	5-20

Capital assets also include leased assets and SBITA assets with a term greater than one year. The County does not implement a capitalization threshold for leased assets. Leased assets and SBITA assets are amortized on a straight-line basis over the term of the lease and SBITA.

Interfund Receivables/Payables

In the fund financial statements, receivables and payables resulting from short-term interfund advances are classified as due to/from other funds. Interfund balances within governmental activities are eliminated in the government-wide financial statements.

Prepaid Expenditures

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the fund and government-wide financial statements. The consumption method is used to account for these costs.

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the Statement of Net Position and Balance Sheet – Governmental Funds will sometimes report a separate section for deferred outflows/inflows of resources. The separate financial statement element, deferred outflows of resources, represents a use of resources that applies to a future period and so will not be recognized as an outflow (expense/expenditure) until then. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

Lease-related amounts are recognized at the inception of leases in which the County is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unearned Revenue
The County reports unearned revenue in its basic financial statements. Unearned revenue arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Deferred revenue also arises when resources are received by the County before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the County has legal claim to resources, the liability for deferred revenue is removed and revenue is recognized.

Equity Classifications – Government-Wide statements
Equity is classified as net position and displayed in three components:

a) Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b) Restricted net position - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations for other governments; or (2) law through constitutional provisions or enabling legislation.

c) Unrestricted net position – consists of all other net position that does not meet the definition of restricted or invested in capital assets.

The County's policy is to use restricted resources prior to utilizing unrestricted funds.

Equity Classifications – Governmental Fund statements
In the fund basis statements, there are five classifications of fund balance:

Non-spendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the prepaid expenditures recorded in the General and County Road funds.

Restricted fund balance – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

Restricted fund balance consists of the following at December 31, 2023:

General Fund:	
Solid Waste/Recycle	$ 684,715
Stop DWI	131,161
Capital	51,773
Medicaid	93,024
District attorney seized asset funds	12,930
Crime forfeiture	11,039
Repairs	2,916
OMH Programs	291,927
Medical reserve corps	22,204
Other	1,518,088
Total General Fund	2,819,777
County Road Fund	1,589,126
Total Restricted Fund Balance	$ 4,408,903

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classifications – Governmental Fund statements (Continued)
Assigned fund balance – Includes amounts that are constrained by the County's intent to be used for specific purposes but are neither restricted nor committed. All encumbrances are classified as assigned fund balance. As of December 31, 2023, the County's encumbrances were classified as follows:

Assigned - unappropriated fund balance:	General
General support	$ 150,103
Education	650
Public safety	808,207
Health	73,965
Transportation	200,316
Economic assistance and opportunity	77,738
Culture and recreation	1,007
Total encumbrances	$ 1,311,986

Unassigned fund balance - Includes all other general fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the County.

Fund Deficit
The Capital Projects Fund has a fund deficit at year end that is attributed to the utilization of short-term financing to complete various capital projects. This deficit will be eliminated over the next few years as the projects are completed and the short-term financing is converted to long-term bonds or redeemed by appropriations of other funds.

Order of Fund Balance Spending Policy
The County's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the general fund are classified as restricted fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

Property Taxes
Real property taxes are levied annually and become a lien on January 1. Taxes for County purposes are levied together with taxes for town and special district purposes as a single bill. The towns and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bills. Taxes are generally collected during the period January 1 to March 31 by the Municipal Tax Collectors. A 5% County penalty is added when the local collector settles with the County. Interest is calculated at a rate of 1% per month from February on the total amount due. The County assumes enforcement responsibility for all taxes levied in the towns after the settlement date.

Unpaid village and school district taxes are turned over to the County for enforcement and any such taxes remaining unpaid at year end are re-levied as County taxes in the subsequent year. Eligible owners may enter into an installment contract with the County to pay delinquent taxes. The term of the installment contract may be for a period up to 24 months.

Non-Property Taxes
Non-property tax items consist primarily of NYS sales and use taxes and hotel occupancy tax.

Accrued Liabilities and Long-Term Obligations
All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Liabilities and Long-Term Obligations (Continued)
In general, governmental-fund payables and accrued liabilities are recognized as fund liabilities when incurred. However, compensated absences, other post-employment benefits and contractually required pension contributions that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year.

Compensated Absences
The liability for compensated absences is calculated at rates in effect as of the balance sheet date and is recorded in the governmental funds inasmuch as it will be funded from current financial resources and the statement of net position for amounts to be paid from future financial resources.

Other Postemployment Benefits
In addition to providing the retirement benefits described, the County provides postemployment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the County and its employee groups. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for the County. The County pays a variable percentage of the cost of premiums to an insurance company that provides health care insurance.

3. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND COUNTY-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the County-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the statement of activities, compared with the current financial resources focus of the governmental funds.

Total Fund Balance of Governmental Funds vs. Net Position of Governmental Activities
Total fund balance of the County's governmental funds differs from net position of governmental activities reported in the statement of net position. This difference primarily results from the additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheets.

Statement of Revenue, Expenditures, and Changes in Fund Balance vs. Statement of Activities
Differences between the governmental funds statement of revenue, expenditures, and changes in fund balance and the statement of activities fall into one of three broad categories. These categories are:

- **Long-Term Revenue Differences**
  Long-term revenue differences arise because governmental funds report revenue only when it is considered available, whereas the statement of activities reports revenue when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.

- **Capital Related Differences**
  Capital related differences include the difference between proceeds from the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the statement of activities.

3. **EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND COUNTY-WIDE STATEMENTS (Continued)**

Statement of Revenue, Expenditures, and Changes in Fund Balance vs. Statement of Activities (Continued)

- **Long-Term Debt Transaction Differences**
  Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

4. STEWARDSHIP AND ACCOUNTABILITY

Budgets are adopted annually for the General Fund, County Road Fund, and Road Machinery Fund. The Capital Projects Fund is budgeted on a project basis, and therefore, these budgets do not lapse at year end.

Each Department head shall submit annually to the Budget Officer an estimate of revenues and expenditures of such Department for the ensuing fiscal year. The Budget Officer will conduct a review of the preliminary budget. Recommendations for budget adjustments shall be forwarded to the Finance Committee, along with the preliminary budget by October 1 for their review and revision. No later than November 15, the Budget Officer submits a tentative budget to the County Legislature for the fiscal year commencing the following January 1. The tentative budget includes the proposed expenditures and the means of financing for all budgeted funds. After public hearings are conducted to obtain taxpayer comments and no later than December 20, the County Legislature adopts the annual budget.

5. CASH AND CASH EQUIVALENTS

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. Generally accepted accounting principles direct that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance.

Restricted Cash

General Fund:	
Solid Waste/Recycle	$ 684,715
Stop DWI	131,161
Capital	51,773
Medicaid	93,024
District attorney seized asset funds	12,930
Crime forfeiture	11,039
Repairs	2,916
OMH Programs	291,927
Medical reserve corps	22,204
Other	1,518,088
Total General Fund	2,819,777
County Road Fund	1,758,742
Total Restricted Cash	$ 4,578,519

5. CASH AND CASH EQUIVALENTS (Continued)

As of December 31, 2023, all of the County's cash balances were either insured or collateralized with securities held by the pledging financial institution's trust department in the County's name:

	Bank Balance	Carrying Amount
Cash, including fiduciary funds	$ 26,855,980	$ 24,603,813
Cash equivalents	37,348,446	37,348,446
	$ 64,204,426	$ 61,952,259
Collateralized with securities held by pledging the financial institution's trust department or agent in the County's name	25,482,767	
Covered by FDIC insurance	1,373,213	
Total	$ 26,855,980	

6. TAXES

Property Taxes

At December 31, 2023, the total real property taxes receivable were $11,035,946 net of an allowance for uncollectible taxes of $464,543. Current year returned village and school taxes of $4,179,404 are offset by liabilities to the villages and school districts which were paid prior to April 1, 2022. The remaining portion of tax assets is offset by deferred tax revenue of $6,171,789, which represents an estimate of the County tax liens which will not be collected within the first 60 days of the subsequent year.

During 2011, Chapter 97 of the Laws of 2011 was signed by the Governor (Tax Cap Law). The Tax Cap Law restricts the amount of real property taxes that may levied annually. A municipality may exceed the tax levy limitation if its governing body, with a vote of at least 60%, a local law overriding the tax cap for such year only.

Sales Tax

The County enacted a 4% tax on sales and uses of tangible personal properties, on certain services and occupancy of hotel rooms, admission charges, and club dues pursuant to Article 29 of the Tax Law of the State of New York. All sales tax collections distributed to the County by the State Tax Commission are retained by the County for County purposes, with the exception of 5% of the total collected, which the County distributes to the towns and villages within the County based upon total assessed value.

7. OPIOID SETTLEMENT RECEIVABLE

During 2021, New York State and participating counties entered into settlement agreements with several opioid manufacturers and distributors. These agreements will provide the County with future revenues, portions of which will be restricted for use in combating the opioid crisis through treatment and prevention programs. As of December 31, 2023, the County's receivable related to these settlements is $491,454. At the fund level, this amount is offset by deferred inflows of resources in the same amount, as none of these receipts were received within 60 days of year end. At the government-wide level, the full amount was recognized as revenue in 2023, the year the settlements were reached and finalized. Of the total $491,454 receivable, $468,025 is not expected to be received within one year.

8. CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance at January 1, 2023 (Restated)	Additions	Deletions	Balance at December 31, 2023
Governmental Activities				
Capital assets that are not depreciated:				
Land	$ 1,158,535	$ -	$ -	$ 1,158,535
Construction in progress	46,112,284	8,709,532	51,402,707	3,419,109
Total nondepreciable	47,270,819	8,709,532	51,402,707	4,577,644
Capital assets that are depreciated:				
Land improvements	4,512,685	-	-	4,512,685
Buildings and improvements	42,159,111	43,882,498	-	86,041,609
Infrastructure	116,271,330	6,658,472	-	122,929,802
Machinery and equipment	25,490,510	861,736	285,277	26,066,969
Total depreciable assets	188,433,636	51,402,706	285,277	239,551,065
Less: Accumulated depreciation				
Land improvements	1,681,328	127,999	-	1,809,327
Buildings and improvements	13,458,522	644,212	-	14,102,734
Infrastructure	72,885,340	3,745,948	-	76,631,288
Machinery and equipment	14,835,080	2,101,453	285,277	16,651,256
Total accumulated depreciation	102,860,270	6,619,612	285,277	109,194,605
Total capital assets, net	132,844,185	53,492,626	51,402,707	134,934,104
Lease and SBITA assets being amortized:				
Software arrangements	788,624	119,838	-	908,462
Equipment	239,419	-	2,211	237,208
Total lease and SBITA assets, being amortized	1,028,043	119,838	2,211	1,145,670
Less: Accumulated amortization for				
Software arrangements	-	344,126	-	344,126
Equipment	43,823	42,912	2,211	84,524
Total accumulated amortization	43,823	387,038	2,211	428,650
Total lease and SBITA assets being amortized, net	984,220	(267,200)	-	717,020
Total governmental activities capital assets	$ 133,828,405	$ 53,225,426	$ 51,402,707	$ 135,651,124

8. CAPITAL ASSETS (Continued)

Depreciation and lease amortization expense for the year ended December 31, 2023, was allocated to specific functions as follows:

Depreciation		
General support	$	906,718
Public safety		991,668
Health		49,398
Transportation		4,575,640
Economic assistance and opportunity		51,425
Culture and recreation		5,540
Home and community service		39,223
Total	$	6,619,612

Amortization		
General support	$	208,928
Public safety		90,219
Health		42,562
Economic assistance and opportunity		45,329
Total	$	387,038

9. BOND ANTICIPATION NOTES

Liabilities for bond anticipation notes (BANs) are generally accounted for in the capital projects funds. Principal payments on BANs must be made annually. Debt service expenditures are recorded in the fund that benefited from the project financed by the note, e.g. the general or special revenue funds.

State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

The following BANs were outstanding at December 31, 2023:

	Year of original issue	Maturity Date	Rate of interest	Beginning Balance	Issued	Redeemed	Ending Balance
Various Projects	2022	2023	3.25%	$ 11,700,000	$ -	$ 11,700,000	$ -
Various Projects	2022	2023	1.00%	13,410,000	-	13,410,000	-
Various Projects	2023	2024	4.50%	-	7,600,000	-	7,600,000
				$ 25,110,000	$ 7,600,000	$ 25,110,000	$ 7,600,000

The $7,600,000 BAN matured June 2024 and was paid in full at that time.

10. LONG-TERM DEBT

A summary of changes in long-term debt is as follows:

	Balance at January 1, 2023 (Restated)	Increase	Decrease	Balance at December 31, 2023	Current Portion
Governmental activities:					
Installment debt	$ 429,081	$ -	$ 212,290	$ 216,791	$ 216,791
Compensated absences	1,677,849	102,812	-	1,780,661	169,220
Serial Bonds	5,015,000	7,310,000	775,000	11,550,000	1,275,000
Lease obligations	195,261	-	41,552	153,709	39,663
SBITA obligations	788,624	119,838	353,209	555,253	340,977
Net pension liability	-	15,617,018	-	15,617,018	-
Other postemployment benefits	144,305,852	-	24,237,685	120,068,167	4,419,939
Unamortized premium on obligations	177,758	-	58,133	119,625	-
Total long-term debt	$ 152,589,425	$ 23,149,668	$ 25,677,869	$150,061,224	$ 6,461,590

The County's serial bonds and installment debt are composed of the following:

	Issued	Maturity	Balance at December 31, 2023	Interest Rate
Serial Bond	11/18	11/28	$ 4,240,000	3.00%
Public Improvement Serial Bond	02/23	02/33	7,310,000	4.00%
Installment Debt - Road Machinery Fund	12/20	12/24	216,791	2.12%
Total serial bonds and installment debt			$ 11,766,791	

The following is a summary of the maturity of bonds payable:

Year Ending December 31,	Principal	Interest	Total
2024	$ 1,275,000	$ 555,488	$ 1,830,488
2025	1,470,000	363,700	1,833,700
2026	1,515,000	312,650	1,827,650
2027	1,570,000	259,900	1,829,900
2028	1,625,000	205,300	1,830,300
2029-2033	4,095,000	422,500	4,517,500
Total	$ 11,550,000	$ 2,119,538	$ 13,669,538

The following is a summary of the maturity of installment purchase debt:

Year Ending December 31,	Principal	Interest	Total
2024	$ 216,791	$ 4,596	$ 221,387
Total	$ 216,791	$ 4,596	$ 221,387

10. LONG-TERM DEBT (Continued)

Interest for the year was composed of:

Interest paid	$ 689,245
Accrued interest, beginning of year	(348,381)
Bond premium	(58,133)
Accrued interest, end of year	473,739
Total interest expense	$ 756,470

11. LEASE/SBITA AGREEMENTS

Lessee Agreements

The County is the lessee of certain equipment. The leases have various inception dates and remaining terms of 17-72 months. The equipment leases do not have a renewal option. Lease agreements are summarized as follows:

Description	Interest Rate/ Discount Rate	Total Lease Liability
Dominion - Lease of voting system	2.12%	$ 129,022
Lease of Printer Emergency Management/Public Safety - National Business	2.12%	198
Lease of Pitney Bowes Equipment	2.12%	24,489
Total Lease Liability		$ 153,709

Activity of lease liabilities for the year ended December 31, 2023 is summarized as follows:

Beginning Balance	Additions	Subtractions	Ending Balance	Amount Due Within One Year
$ 195,261	$ -	$ 41,552	$ 153,709	$ 39,663

Annual requirements to amortize long-term obligations and related interest are as follows:

	Principal	Interest	Total
2024	$ 39,663	$ 3,202	$ 42,865
2025	40,309	2,357	42,666
2026	40,450	1,494	41,944
2027	33,287	713	34,000
	$ 153,709	$ 7,766	$ 161,475

Lessor Agreements

The County is the lessor of property for telecommunication services. The lease does not contain a renewal option. Lease agreements are summarized as follows:

Description	Term (in Months)	Interest Rate/ Discount Rate	Total Future Receipts
Cingular Lease - Lease of property for telecommunication services - Oak Hill	308	2.12%	$ 887,500
Total Future Lease Revenue			$ 887,500

11. LEASE/SBITA AGREEMENTS (Continued)

Lessor Agreements (Continued)
Activity of lease inflows for the year ended December 31, 2023 is summarized as follows:

Lease-related Revenue	Year Ending December 31, 2023
Lease Revenue	
Land	$ 28,953
Total Lease Revenue	28,953
Interest Revenue	15,003
Variable & Other Revenue	-
Total	$ 43,956

Future minimum lease payments due to the County are as follows:

	Principal	Interest	Total
2024	$ 22,938	$ 14,562	$ 37,500
2025	23,428	14,071	37,499
2026	23,930	13,570	37,500
2027	24,442	13,058	37,500
2028	24,966	12,534	37,500
2029-2033	133,078	54,423	187,501
2034-2038	147,945	39,555	187,500
2039-2043	164,473	23,027	187,500
2044-2048	132,179	5,321	137,500
	$ 697,379	$ 190,121	$ 887,500

SBITA Liability
During the year ended December 31, 2023, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA).* GASB Statement No. 96 establishes requirements for recognition of an intangible right-of-use subscription asset and a corresponding subscription liability if certain criteria are met. A SBITA is defined as a contract that conveys control of the right to use another party's information technology (IT) software, as specified in the contract for period of time in an exchange or exchange-like transaction. The implementation of GASB 96 was incorporated into the County's financial statement and had no net effect on the beginning net position.

$917,253 has been recorded as intangible right-to-use software arrangements in capital assets. Due to the implementation of GASB Statement No. 96, these arrangements for software met the criteria of a SBITA; thus requiring it to be recorded by the County as intangible assets and a SBITA liability. These assets are amortized over the lease terms.

SBITA activity for the year ended December 31, 2023 is summarized as follows:

Beginning Balance (Restated)	Additions	Subtractions	Ending Balance	Amount Due Within One Year
$ 788,624	$ 119,838	$ 353,209	$ 555,253	$ 340,977

11. LEASE/SBITA AGREEMENTS (Continued)

SBITA Liability (Continued)
SBITA arrangements are summarized as follows:

Description	Interest Rate/ Discount Rate	Total SBITA Liability
Lexis Nexis	2.06%	$ 3,736
Tyler Technologies	2.06%	2,061
CGT - powertime subscription	2.06%	2,765
DLAN system	2.06%	53,273
EWA - hosting and support subscription services	2.06%	365,924
NTS - software subscription	2.06%	47,594
Axon Taser	2.06%	19,282
Linstar	2.06%	60,618
Total SBITA Liability		$ 555,253

Annual requirements to amortize long-term SBITA obligations and related interest are as follows:

	Principal	Interest	Total
2024	$ 340,977	$ 8,561	$ 349,538
2025	99,103	3,894	102,997
2026	68,270	1,948	70,218
2027	46,903	571	47,474
	$ 555,253	$ 14,974	$ 570,227

12. INTERFUND TRANSACTIONS

During the course of normal operations, the County records numerous transactions between funds including expenditures for the provision of services, as well as transfers between funds to finance various projects or debt payments.

Individual interfund receivable and payable balances arising from these transactions as of December 31, 2023, were as follows:

	Interfund Receivables	Interfund Payables
General fund	$ 219,152	$ -
County road fund	-	487
Custodial fund	-	218,665
Total	$ 219,152	$ 219,152

12. INTERFUND TRANSACTIONS (Continued)

Interfund balances are used:

- To move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget to expend them primarily;
- To move expenditures from chargeable funds to a single fund for disbursement, and;
- To compensate for the time lag between the dates that interfund goods and services are provided or reimbursable and the payments are actually made between the funds.

Interfund transfers throughout the year ended December 31, 2023, were as follows:

	Transfers In	Transfers Out
General fund	$ -	$ 9,374,056
Debt service fund	1,403,443	-
County road fund	7,970,613	-
Total	$ 9,374,056	$ 9,374,056

Interfund Transfers are used:

- To move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and
- To fund capital projects from operating funds.

13. PENSION PLAN

Plan Description

The County participates in the New York State and Local Employees' Retirement System (ERS). ERS is a cost-sharing, multiple-employer, public employee retirement system. The system offers a wide range of plans and benefits that are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

The NYS ERS provides retirement benefits, as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the system. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the system and for the custody and control of its funds. The system issues a publicly available financial report that includes financial statements and required supplementary information.

That report may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

13. PENSION PLAN (Continued)

Funding Policies

The System is noncontributory for the employees who joined prior to July 27, 1976. For employees who joined the System after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the Systems more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, employees in ERS contribute 3% of their salary throughout their active membership For employees who joined after April 1, 2012, employees in ERS contribute 3% of their salary until April 1, 2013 and then contribute 3% to 6% of their salary throughout their active membership.The County is required to contribute at an actuarially determined rate. The contributions for the current year and two preceding years were:

	ERS
2023	$ 2,686,451
2022	$ 2,199,058
2021	$ 2,847,688

The County contribution made to the system was equal to 100 percent of the contribution required for each year.

Since 1989, the System's billings have been based on Chapter 62 of the Laws of 1989 of the State of New York. This legislation requires participating employers to make payments on a current basis.

Chapter 49 of the Laws of 2003 of the State of New York was enacted which made the following changes to the System**:**

- Requires minimum contributions by County of 4.5% of payroll every year, including years in which the investment performance would make a lower contribution possible.

- Changes the cycle of annual billing such that the contribution for a given year will be based on the value of the pension fund on the prior April 1 (e.g., billings due February 2013 would be based on the pension value as of March 31, 2012).

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2023, the County reported a liability of $15,617,018 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2023, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2022. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2023, the County's proportion was .0728269%, which was an increase of .0025007% from its proportion measured December 31, 2022.

13. PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended December 31, 2023, the County recognized pension expense of $5,382,488. At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,663,335	$ 438,585
Changes of Assumptions	7,584,631	83,824
Net difference between projected and actual earnings on pension plan investments	-	91,749
Changes in proportion and differences between the County's contributions and proportionate share of contributions	336,027	575,368
Contribution after measurement date	2,014,838	-
Total	$ 11,598,831	$ 1,189,526

A total of $2,014,838 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ending March 31,	2024	$ 1,965,704
	2025	(893,378)
	2026	3,092,761
	2027	4,229,380
	2028	-
	Thereafter	-
		$ 8,394,467

Actuarial Assumptions

The total pension liability at March 31, 2023 was determined by using an actuarial valuation as of April 1, 2022, with update procedures used to roll forward the total pension liability to March 31, 2023. The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.90%
Salary scale	4.4% indexed by service
Projected COLAs	1.5% compounded annually
Decrements	Developed from the Plan's 2020 experience study of the period April 1, 2015 through April 1, 2020
Mortality improvement	Society of Actuaries Scale MP-2021
Investment Rate of Return	5.9% compounded annually, net of investment expenses

13. PENSION PLAN (Continued)

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Type	Target Allocations in %	Long Term Expected Real Rate of Return
Domestic Equity	32%	4.30%
International Equity	15%	6.85%
Private Equity	10%	7.50%
Real Estate	9%	4.60%
Opportunistic/ARS	3%	5.38%
Credit	4%	5.43%
Real Assets	3%	5.84%
Fixed Income	23%	1.50%
Cash	1%	0.00%
	100%	

Discount Rate

The discount rate used to calculate the total pension liability was 5.90%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 5.90%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (4.90%) or 1% higher (6.90%) than the current rate:

	1 % Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Proportionate Share of Net Pension liability	$ 37,739,634	$ 15,617,018	$ (2,869,001)

13. PENSION PLAN (Continued)

Pension Plan Fiduciary Net Position (In Thousands)
The components of the current-year net pension asset of the employers as of March 31, 2023, were as follows:

Employers' total pension liability	$	232,627,259
Fiduciary net position		(211,183,223)
Employers' net pension liability (asset)	$	21,444,036
Ratio of fiduciary net position to the employers' total pension liability		-90.78%

14. OTHER POSTEMPLOYMENT BENEFITS

Plan Description
The County provides certain other postemployment benefits (predominately health insurance) for retired employees of the County. The County administers its Other Postemployment Benefits Plan (the OPEB Plan) as a single-employer defined benefit Other Postemployment Benefit Plan (OPEB).

In general, the County provides health insurance coverage for retired employees and their survivors. Substantially all the County's employees may become eligible for this benefit if they retire with 10 years of continuous service to the County.

The OPEB Plan can be amended by action of the County subject to applicable collective bargaining and employment agreements. The OPEB Plan does not issue a stand-alone financial report because there are no assets accumulated for the sole purpose of paying benefits under the plan that meet the criteria of GASB statement No. 75, paragraph 4.

Funding Policy
The obligations of the OPEB Plan are established by action of the County pursuant to applicable collective bargaining and employment agreements. The required premium contribution rates of retirees range from 0% to 15%, depending on current employment contract. The County will pay its portion of the premium for the retiree and spouse for the lifetime of the retiree. The costs of administering the OPEB Plan are paid by the County. The County currently contributes enough money to the OPEB Plan to satisfy current obligations on a pay-as-you-go basis to cover annual premiums.

Benefits Provided
The County provides healthcare benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the County offices and are available upon request.

Employees Covered by Benefit Terms
At December 31, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	379
Inactive employees or beneficiaries entitled to but not' yet receiving benefits	-
Active employees	386
Total participants	765

14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Total OPEB Liability

The County's total OPEB liability of $120,068,167 was measured as of December 31, 2022, and was determined by an actuarial valuation as of January 1, 2022.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.30%
Payroll Growth	3.00%
Discount Rate	3.72%
Healthcare Cost Trend Rates	NYSHIP Pre-Medicare - 6.9% for 2023 decreasing to 3.7% in 2090+ NYSHIP Medicare - 6.8% for 2023 decreasing to 3.7% in 2090+ CDPHP Pre-Medicare - 9.8% for 2023 decreasing to 3.7% in 2090+ Medicare Part B 5.9% for 2023 decreasing to 3.6% in 2090+
Share of Benefit-Related Costs	The County's contribution varies based on bargaining unit and insurance selected. Surviving spouses may continue coverage but must contribute the full premium. Retirees, spouses of retirees, and surviving spouses are all eligible for Medicare Part B reimbursement.

The discount rate was based on the index provided by *Bond Buyer 20-Bond General Obligation Index*.

Mortality rates were based on the Scale MP-2021 Employee/Retiree Annuitant Sex Distinct Mortality Tables.

Changes in the Total OPEB Liability

Balance at December 31, 2022	$144,305,852
Changes for the Year	
Service cost	7,270,425
Interest	3,078,803
Changes in assumptions or other inputs	(30,325,499)
Effect of economic/demographic gains or losses	-
Benefit payments	(4,261,414)
Net changes	(24,237,685)
Balance at December 31, 2023	$120,068,167

Changes of assumptions and other inputs reflect a change in the discount rate from 2.06% in 2022 to 3.72% in 2023.

14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.72%) or 1 percentage point higher (4.72%) than the current discount rate:

	1% Decrease (2.72%)	Current Discount (3.72%)	1% Increase (4.72%)
Total OPEB Liability	$ 138,268,757	$ 120,068,167	$ 105,253,766

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Current Trent Rate	1% Increase
Total OPEB Liability	$ 102,628,945	$ 120,068,167	$ 142,211,819

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2023, the County recognized OPEB expense of $3,037,440. At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 13,252,322	$ 29,278,918
Differences between expected and actual experience	345,992	2,287,037
Benefit payments subsequent to measurement date	4,836,395	-
Total	$ 18,434,709	$ 31,565,955

14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending December 31:	Amount
2024	$ (5,489,255)
2025	(1,307,302)
2026	(2,366,926)
2027	(4,794,815)
2028	(4,009,343)
Thereafter	-
	$ (17,967,641)

15. RISK RETENTION

The County is exposed to various risks of loss related to taxes, theft of, damage to, and destruction of assets, injuries to employees, errors and omissions, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded coverage in the past.

The County does not purchase insurance for the risk of loss for unemployment claims. Instead, the County manages its risks for these claims internally and pays the claims as they are submitted.

Claims are recognized as expenditures as the liability is incurred and the amount of loss can be reasonably estimated. There were no claims liabilities outstanding as of December 31, 2023. Total expenditures for unemployment claims were $36.6 thousand for the year ended December 31, 2023.

16. JOINTLY GOVERNED ORGANIZATION

The counties of Montgomery, Otsego, and Schoharie jointly govern the Montgomery-Otsego-Schoharie Solid Waste Management Authority (MOSA). MOSA is a public benefit corporation established pursuant to Section 2041 of the Public Authorities Law of the State of New York, as amended. County of Schoharie has entered into a twenty-five-year service agreement with MOSA. Significant provisions of the agreement are as follows:

On May 1, 2014, the ownership of all facilities owned by MOSA was transferred to the County in which the facility is located with all operational functions becoming the responsibility of the individual counties. Schoharie County became responsible for the Schoharie Transfer Station located in Cobleskill, NY. Additionally, the County will be responsible for 18% of the post closure expenses associated with the three closed landfills.

17. CONTINGENCIES

Litigation

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the County if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, such potential modifications would not materially affect the financial position of the County.

The County has been named as defendant in certain other actions, a review of which indicated that all are either fully covered by insurance or not substantial enough to materially affect the financial position of the County.

Other Contingencies

The County participates in various state and federal grant programs that are subject to program compliance audits by the grantors or their representatives. The audits of these programs are an on-going process and many have not yet been conducted or completed. Accordingly, the County's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County anticipates such amounts, if any, to be immaterial.

Tobacco Settlement

In 1998, the State of New York estimated it would receive approximately $25 billion over the next 25 years as a result of a comprehensive settlement among 46 states and U.S. territories and all the major tobacco companies. The settlement represents reimbursement to the State for medical costs incurred, primarily paid by Medicaid, from treating smoking-related illnesses. Since the counties of the State and New York City pay a share of Medicaid costs, the State has apportioned approximately half the settlement funds to these localities. In 2023, the County received a $466,736 settlement which is reported in the general fund as sale of property and compensation for loss.

18. FLOOD RECOVERY

On August 8, 2011, Hurricane Irene struck the County causing catastrophic damage. The estimated total damage to the County’s bridges, roads and buildings was $85-$100 million. Most of the cost of the repairs were reimbursed by a combination of federal and NYS aid. All repairs are now substantially complete.

The County has also been involved in a stream bank stabilization project since 2012 which is now expected to cost approximately $30 million. The U.S. Department of Agriculture natural Resources Conservation Service (NRCS), the major source of federal reimbursement funding, has claimed that there are serious defects in the design, construction and overall management of this project. NRCS has halted all reimbursements pending corrective action being taken. The County has obtained $3.2 million in grant funding from NYS Empire State development (ESD) for the stream bank project. Discussions continue with NRCS and other agencies on the best path forward.

19. TAX ABATEMENTS

All real property in New York State is subject to taxation unless specific legal provision grant it exempt status. Real property exemptions are granted on the basis of many different criteria, including the use to which the property is put, the owner's ability to pay taxes, the desire of the state and local governments to encourage certain economic or social activities, and other considerations. Most exemptions are granted under Article 4 of the Real Property Tax Law, but others are authorized by a wide variety of statutes ranging from Article 18-A of the Real Property Tax Law, the Agriculture and Markets Law and the Transportation Law.

Certain exemptions provide full relief from taxation (wholly exempt property) and others reduce the taxes which would otherwise be payable by varying degrees (partially exempt property). Some exemptions apply to taxes levied for county, city/town, and school purposes, whereas other pertain only to certain of these purposes. Some tax exemptions are mandated by State law, others are subject to local option and/or local determination of eligibility criteria.

The County has four real property tax abatement agreements that are entered into by either the Schoharie County Industrial Development Agency (IDA) or Towns within the County. These agreements provide for abatement of real property taxes in exchange for payment in lieu of taxes (PILOT) or a reduction in the assessed value of the real property. The County has a real property tax abatement agreement with the housing and development company organized pursuant to Article V or Article XI of the Private Housing Finance Law of the State of New York (PHFL) for the purpose of creating or preserving affordable housing in the County.

These tax abatements are granted in accordance with various activities such as new affordable housing construction, purchase of an existing facility, or the improvement or expansion of an existing facility in order to increase economic development activity within the County. There are also policies for recapture of PILOTS should the applicant not meet certain criteria.

The following is the agreement and amount of real property tax that has been abated for the year ended December 31, 2023:

Agreement	Purpose	Assessment	Tax Rate	Tax Value	Payment per Agreement	Amount of Tax Abated
Schoharie County IDA	Economic Development	$195,444,556	Various	$ 2,482,419	$ 1,463,172	$ 1,019,247
Village of Cobleskill & Town of Cobleskill	Affordable Housing	$ 972,000	$ 11.94812	$ 11,614	$ 7,194	$ 4,420
Town of Sharon & Sharon Springs School District	Solar Energy	$ 2,950,000	$ 13.302731	$ 39,243	$ 15,412	$ 23,831
Village of Richmondville & Cobleskill-Richmondville School District	Affordable Housing	$ 2,362,880	$ 9.022797	$ 21,320	$ 6,905	$ 14,415

20. CHANGE IN ACCOUNTING PRINCIPLE

During the year ended December 31, 2023, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-based Information Technology Agreements*. GASB Statement No. 96 establishes requirements for recognition of an intangible right-of-use subscription asset and a corresponding subscription liability if certain criteria are met. A SBITA is defined as a contract that conveys control of the right to use another party's information technology (IT) software, as specified in the contract for period of time in an exchange or exchange-like transaction. These changes were incorporated in the County's financial statements and had no effect on the beginning net position, as the SBITA leased asset equaled the amount of the SBITA lease liability.

Balance on December 31, 2022, as previously reported	$44,067,963
Adjustments:	
SBITA right-to-use lease asset	788,624
SBITA lease liability	(788,624)
Net position on January 1, 2023, as restated	$44,067,963

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

COUNTY OF SCHOHARIE, NEW YORK

STATEMENT OF REVENUE, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2023

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE:				
Real property taxes	$ 22,597,987	$ 22,597,987	$ 22,604,968	$ 6,981
Real property tax items	3,254,907	3,254,907	3,559,252	304,345
Non property tax items	19,735,133	19,735,133	24,996,457	5,261,324
Departmental income	5,026,210	5,083,505	5,699,013	615,508
Intergovernmental charges	369,154	380,571	547,567	166,996
Use of money and property	243,900	243,900	2,281,480	2,037,580
Licenses and permits	43,174	43,174	51,945	8,771
Fines and forfeitures	36,200	36,200	44,711	8,511
Sale of property and compensation for loss	452,800	461,494	532,204	70,710
Miscellaneous local sources	790,750	791,457	445,813	(345,644)
State aid	13,855,709	15,252,717	15,961,642	708,925
Federal aid	8,442,305	13,903,805	8,616,464	(5,287,341)
Total revenue	74,848,229	81,784,850	85,341,516	3,556,666
EXPENDITURES:				
General government support	13,236,552	15,796,080	13,505,522	2,290,558
Education	1,458,000	1,467,756	1,382,956	84,800
Public safety	9,569,818	10,417,173	9,210,003	1,207,170
Health	6,548,756	7,441,147	5,299,672	2,141,475
Transportation	1,172,860	1,742,421	1,418,324	324,097
Economic assistance and opportunity	22,410,657	24,055,830	21,527,850	2,527,980
Culture and recreation	542,961	570,809	531,128	39,681
Home and community services	1,521,559	3,901,478	1,384,845	2,516,633
Debt service - principal	-	-	377,708	(377,708)
Debt service - interest	-	-	15,348	(15,348)
Employee benefits	12,119,100	12,437,800	12,416,490	21,310
Total expenditures and encumbrances	68,580,263	77,830,494	67,069,846	10,760,648
Excess of revenue over expenditures	6,267,966	3,954,356	18,271,670	14,317,314
OTHER SOURCES (USES):				
Proceeds from SBITAs	-	-	119,838	119,838
Interfund transfers (out)	(9,410,413)	(9,410,413)	(9,374,056)	36,357
Total other sources (uses)	(9,410,413)	(9,410,413)	(9,254,218)	156,195
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(3,142,447)	(5,456,057)	9,017,452	14,473,509
FUND BALANCE - beginning of year	43,654,011	43,654,011	43,654,011	-
FUND BALANCE - end of year	$ 40,511,564	$ 38,197,954	$ 52,671,463	$ 14,473,509

COUNTY OF SCHOHARIE, NEW YORK

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - COUNTY ROAD AND ROAD MACHINERY FUNDS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2023

	County Road				Road Machinery			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
REVENUE AND OTHER SOURCES								
Revenue:								
Intergovernmental charges	$ 509,137	$ 509,137	$ 491,804	$ (17,333)	$ 19,000	$ 19,000	$ 19,517	$ 517
Use of money and property	2,000	2,000	158,933	156,933	100	100	93	(7)
Fines and forfeitures	500	500	-	(500)	-	-	-	-
Sale of property and compensation for loss	470,425	470,425	342,885	(127,540)	10,000	60,600	78,692	18,092
State aid	-	8,426,875	5,447,437	(2,979,438)	-	-	-	-
Federal aid	-	2,000,000	1,192,104	(807,896)	-	-	-	-
Departmental income	-	-	-	-	1,452,039	1,502,039	1,463,168	(38,871)
Total revenue	982,062	11,408,937	7,633,163	(3,775,774)	1,481,139	1,581,739	1,561,470	(20,269)
EXPENDITURES AND OTHER USES								
Expenditures:								
Transportation	6,690,075	21,583,034	15,619,704	5,963,330	1,259,752	1,408,003	1,367,834	40,169
Employee benefits	2,262,600	2,262,600	2,096,170	166,430	-	-	-	-
Debt service	-	-	-	-	221,387	221,387	221,387	-
Total expenditures	8,952,675	23,845,634	17,715,874	6,129,760	1,481,139	1,629,390	1,589,221	40,169
Excess (deficiency) of revenue over expenditures	(7,970,613)	(12,436,697)	(10,082,711)	2,353,986	-	(47,651)	(27,751)	19,900
OTHER SOURCES (USES):								
Interfund transfers in	7,970,613	7,970,613	7,970,613	-	-	-	-	-
Total other sources (uses)	7,970,613	7,970,613	7,970,613	-	-	-	-	-
REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	(4,466,084)	(2,112,098)	2,353,986	-	(47,651)	(27,751)	19,900
FUND BALANCE - beginning of year	5,676,873	5,676,873	5,676,873	-	183,244	183,244	183,244	-
FUND BALANCE - end of year	$ 5,676,873	$ 1,210,789	$ 3,564,775	$ 2,353,986	$ 183,244	$ 135,593	$ 155,493	$ 19,900

COUNTY OF SCHOHARIE, NEW YORK

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31,

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total OPEB Liability										
Service cost	$ 7,270,425	$ 6,950,010	$ 5,875,489	$ 4,627,943	$ 4,908,568	$ 5,998,566				
Interest	3,078,803	2,979,223	3,569,150	4,559,914	4,132,555	5,279,768				
Effect of economic/demographic gains or losses	-	(3,326,599)	-	893,016	(1,734,117)	-				
Effect of plan changes	-	-	(5,606,697)	-	-	-				
Changes in assumptions or other inputs	(30,325,499)	6,102,399	9,240,868	11,652,834	(12,056,348)	(26,033,655)				
Benefit payments	(4,261,414)	(3,936,545)	(3,827,942)	(4,032,854)	(3,746,003)	(3,650,777)				
Total change in total OPEB liability	(24,237,685)	8,768,488	9,250,868	17,700,853	(8,495,345)	(18,406,098)				
Total OPEB liability - beginning	144,305,852	135,537,364	126,286,496	108,585,643	117,080,988	135,487,086				
Total OPEB liability - ending	$ 120,068,167	$ 144,305,852	$ 135,537,364	$ 126,286,496	# $ 108,585,643	# $ 117,080,988				
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A					
Total OPEB liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A					

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Notes to schedule:

Changes of assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following reflects the discount rate used each period:

	2023	2022	2021	2020	2019	2018
Discount rate	3.72%	2.06%	2.12%	2.74%	4.10%	3.44%

Plan Assets. No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

COUNTY OF SCHOHARIE, NEW YORK

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31,

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.0728269%	0.0703262%	0.0705438%	0.065744%	0.064758%	0.063083%	0.066948%	0.068079%	0.070343%	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.
Proportionate share of the net pension liability (asset)	$ 15,617	$ (5,749)	$ 70	$ 17,409	$ 4,588	$ 2,036	$ 6,291	$ 10,927	$ 2,376	
Covered-employee payroll	$ 21,427	$ 19,391	$ 17,975	$ 17,577	$ 17,091	$ 16,590	$ 16,087	$ 16,384	$ 15,719	
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	72.89%	-29.65%	0.39%	99.04%	26.84%	12.27%	39.11%	66.69%	15.12%	
Plan fiduciary net position as a percentage of the total pension liability (asset)	-90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%	

COUNTY OF SCHOHARIE, NEW YORK

SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31,

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 2,686	$ 2,199	$ 2,848	$ 2,495	$ 2,435	$ 2,415	$ 2,430	$ 2,539	$ 2,826	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.
Contributions in relation to the contractually required contribution	2,686	2,199	2,848	2,495	2,435	2,415	2,430	2,539	2,826	
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Covered-employee payroll	$ 21,427	$ 19,391	$ 17,975	$ 17,577	$ 17,091	$ 16,590	$ 16,087	$ 16,384	$ 15,719	
Contributions as a percentage of covered-employee payroll	12.54%	11.34%	15.84%	14.19%	14.25%	14.55%	15.10%	15.50%	17.98%	

SUPPLEMENTARY INFORMATION

COUNTY OF SCHOHARIE, NEW YORK

SCHEDULE OF COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	Road Machinery	Debt Service	Total Non-Major Governmental Funds
ASSETS:			
Cash and cash equivalents - unrestricted	$ 206,281	$ -	$ 206,281
Accounts receivable	11,597	-	11,597
Total assets	$ 217,878	$ -	$ 217,878
LIABILITIES AND FUND BALANCE:			
LIABILITIES:			
Accounts payable and accrued expenses	$ 62,385	$ -	$ 62,385
Total liabilities	62,385	-	62,385
FUND BALANCE:			
Assigned			
Unappropriated fund balance	155,493	-	155,493
Total assigned fund balance	155,493	-	155,493
Total fund balance	155,493	-	155,493
Total liabilities and fund balance	$ 217,878	$ -	$ 217,878

The accompanying notes are an integral part of these statements.

COUNTY OF SCHOHARIE, NEW YORK

SCHEDULE OF COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2023

	Road Machinery	Debt Service	Total Non-Major Governmental Funds
REVENUE:			
Departmental income	$ 1,463,168	$ -	$ 1,463,168
Intergovernmental charges	19,517	-	19,517
Use of money and property	93	-	93
Sale of property and compensation for loss	78,692	-	78,692
Total revenue	1,561,470	-	1,561,470
EXPENDITURES:			
Transportation	1,367,834	-	1,367,834
Debt service - principal	212,290	775,000	987,290
Debt service - interest	9,097	664,800	673,897
Total expenditures	1,589,221	1,439,800	3,029,021
Excess (deficiency) of revenue over expenditures	(27,751)	(1,439,800)	(1,467,551)
OTHER SOURCES (USES):			
Premium on debt	-	36,357	36,357
Interfund transfers in	-	1,403,443	1,403,443
Total other sources (uses)	-	1,439,800	1,439,800
NET CHANGE IN FUND BALANCE	(27,751)	-	(27,751)
FUND BALANCE - beginning of year	183,244	-	183,244
FUND BALANCE - end of year	$ 155,493	$ -	$ 155,493

The accompanying notes are an integral part of these statements.

REQUIRED REPORTS UNDER UNIFORM GUIDANCE

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

September 13, 2024

To the Chairman and Members of the Board of Supervisors of the
County of Schoharie:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of County of Schoharie, New York (County), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 13, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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(Continued)

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

September 13, 2024

To the Chairman and Members of the Board of Supervisors of the
County of Schoharie:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Schoharie, New York's (County) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2023. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

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(Continued)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE (Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

(Continued)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE (Continued)

Report on Internal Control over Compliance (Continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

COUNTY OF SCHOHARIE, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Federal Grantor/Pass-Through Grantor Program Title		Federal Assistance Listing #	Pass-Through/ Contract Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Health and Human Services					
Passed through State Office of Children and Family Services:					
Temporary Assistance for Needy Families (TANF) Cluster		93.558	N/A	$ 2,633,601	$ -
Foster Care (Title IV-E)		93.658	N/A	617,921	-
Adoption Assistance		93.659	N/A	566,145	-
Guardianship Assistance		93.090	N/A	67	-
Social Services Block Grant		93.667	N/A	394,094	-
Passed through State Office of Temporary and Disability Assistance:					
COVID-19 - Low Income Home Energy Assistance		93.568	N/A	81,335	-
Low Income Home Energy Assistance		93.568	N/A	3,070,151	-
Total Low Income Home Energy Assistance				3,151,486	-
Child Support Enforcement (Title IV-D)		93.563	N/A	329,177	-
Medical Assistance Program (Medicaid, Title XIX) Cluster		93.778	N/A	1,025,404	-
Low-Income Household Water Assistance Program		93.499	N/A	3,672	-
Passed through State Office for Aging:					
Special Programs for the Aging, Title III, Part D - Disease Prevention and Health Promotion Services		93.043	N/A	3,469	-
Special Programs for Aging, Title III, Part B - Grants for Supportive Services for Senior Centers	^	93.044	N/A	53,382	-
Special Programs for Aging, Title III, Part C - Nutrition services	^	93.045	N/A	108,777	-
COVID-19 - Special Programs for Aging, Title III, Part C - Nutrition services	^	93.045	N/A	162,162	-
Total Special Programs for Aging, Title III, Part C - Nutrition services				270,939	-
Nutrition Services Incentive Program	^	93.053	N/A	40,694	-
National Family Caregiver Support, Title III, Part E		93.052	N/A	30,185	-
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)		93.323	6413-01, 6880-1, 7298-01	159,647	-
COVID-19 - Elder Abuse Prevention Interventions Program		93.747	N/A	11,768	-
Medicare Enrollment Assistance Program		93.071	N/A	15,244	-
Passed through NYS Department of Health:					
Public Health Emergency Preparedness		93.069	1606-17, 1606-18	87,533	-
Total U.S. Department of Health and Human Services				9,394,428	-
U.S. Department of Education					
Passed through State Department of Education:					
Early Intervention		84.181	C35742GG, C36432GG	83,047	-
U.S. Department of Agriculture					
Passed through State Office of Temporary and Disability Assistance:					
Supplemental Nutrition Assistance Cluster:					
Supplemental Nutrition Assistance Program		10.561	N/A	416,704	-
Total U.S. Department of Agriculture				416,704	-

(Continued)

COUNTY OF SCHOHARIE, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

Federal Grantor/Pass-Through Grantor	Federal Assistance Listing #	Pass-Through/ Contract Number	Federal Expenditures	Expenditures to Subrecipients
Program Title				
U.S. Department of Homeland Security and Emergency Services				
Passed through NYS Division of Homeland Security & Emergency Services				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR4020, 4480DRNY	48,611	-
Homeland Security Grant Program - Law Enforcement Terrorism Prevention Program (LETPP)	97.067	C973200, C973290, C162710, C839198, C190175, C190130	145,017	-
Total U.S. Department of Homeland Security and Emergency Services			193,628	-
U.S. Department of Justice				
Bulletproof Vest Partnership Program	16.607	N/A	6,182	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	52,183	-
Total U.S. Department of Justice			58,365	-
U.S. Department of Housing and Urban Development				
Passed through NYS Office of Community Renewal:				
Hurricane Sandy Community Development Block Grant - Disaster Recovery	14.269	N/A	137,741	-
Community Development Block Grant/State's program and Non-Entitlement Grants in Hawaii	14.228	1042ME504-22	45,594	-
Total U.S. Department of Housing and Urban Development			183,335	-
Appalachian Regional Commission				
Appalachian Area Development	23.002	N/A	6,225	-
U.S. Department of Transportation				
Passed through State Department of Transportation				
Formula Grants for Other than Urbanized Areas	20.509	C005697, C004139	371,441	-
Highway Planning and Construction Cluster	20.205	D036069, D036070, D040436, D040437	1,192,104	-
Total U.S. Department of Transportation			1,563,545	-
U.S. Department of the Treasury				
ARPA - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	1,300,889	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 13,200,166	$ -
	^ Special programs for the aging cluster, total		$ 365,015	

See Independent auditor's report.
See notes to schedule of expenditures of federal awards.

COUNTY OF SCHOHARIE, NEW YORK

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2023

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of County of Schoharie, New York (County) under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position or the respective changes in financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are presented in conformity with accounting principles generally accepted in the United States and the amounts presented are derived from the County's general ledger.

The County did not elect to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3. PASS-THROUGH PROGRAMS

Where the County receives funds from a government entity other than the federal government (pass-through), the funds are accumulated based upon the Assistance Listing number advised by the pass-through grantor.

Identifying numbers, other than the Assistance Listing numbers, which may be assigned by pass-through grantors are not maintained in the County's financial management system. The County has identified certain pass-through identifying numbers and included them in the Schedule, as available.

4. INDIRECT COSTS

Indirect costs are included in the reported expenditures to the extent such costs are included in the federal financial reports used as the source for the data presented.

5. MATCHING COSTS

Matching costs, i.e., the County's or State's share of certain program costs, are not included in the schedule of expenditures of federal awards.

6. NONCASH AWARDS

A significant portion of federal award programs do not involve cash awards to the County of Schoharie, New York. The value of this noncash award has been recorded as expenditures on the statement of expenditures of federal awards. Those relating to the County are as follows:

Program Title	Federal Assistance Listing Number	Amount
U.S. Department of Health and Human		
Low Income Home Energy Assistance		
Value of NYS Comptroller expenditures	93.568	$ 2,891,651

COUNTY OF SCHOHARIE, NEW YORK

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2023

Section I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	__ Yes	X No
Significant deficiencies identified not considered to be material weaknesses?	__ Yes	X None reported
Noncompliance material to financial statements noted?	__ Yes	X No

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	__ Yes	X No
Significant deficiencies identified not considered to be material weaknesses?	__ Yes	X None reported
Type of auditor's report issued on compliance for major programs	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	__ Yes	X No

Identification of major programs:

Assistance Listing Number	Name of Federal Program
20.205	Highway Planning and Construction
21.027	Coronavirus State and Local Discal Recovery Funds
93.778	Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000	
Auditee qualified as low-risk auditee?	X Yes	__ No

COUNTY OF SCHOHARIE, NEW YORK

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2023

Section II – FINANCIAL STATEMENT FINDINGS

None.

Section III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

APPENDIX – D

MATERIAL EVENT NOTICES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, the County has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

(c) unscheduled draws on debt service reserves reflecting financial difficulties

(d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties

(e) substitution of credit or liquidity providers, or their failure to perform

(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes

(g) modifications to rights of Note holders, if material

(h) note calls, if material and tender offers

(i) defeasances

(j) release, substitution, or sale of property securing repayment of the Notes

(k) rating changes

(l) bankruptcy, insolvency, receivership or similar event of the County

(m) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material

(o) incurrence of a "financial obligation" (as defined in the Rule) of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect Note holders, if material; and

(p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the County, any of which reflect financial difficulties.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Notes.

With respect to event (d) the County does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

With respect to event (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County.

With respect to events (o) and (p), the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The County may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the County determines that any such other event is material with respect to the Notes; but the County does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The County reserves the right to terminate its obligation to provide the aforedescribed notices of material events, as set forth above, if and when the County no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The Issuer acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the County's obligations under its material event notices undertaking and any failure by the County to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

The County reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the County; provided that the County agrees that any such modification will be done in a manner consistent with the Rule.

An "Undertaking to Provide Notice of Material Events" to this effect shall be provided to the purchaser(s) at closing.

FORM OF BOND COUNSEL'S OPINION

May 15, 2025

County of Schoharie
State of New York

Re: County of Schoharie, New York
$15,000,000 Bond Anticipation Notes, 2025

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of $15,000,000 Bond Anticipation Notes, 2025 (the "Obligation"), of the County of Schoharie, New York (the "Obligor"), dated May 15, 2025, numbered 1, of the denomination of $__________, bearing interest at the rate of ___% per annum, payable at maturity, and maturing May 15, 2026.

We have examined:

(1) the Constitution and statutes of the State of New York;

(2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");

(3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligation and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligation to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligation and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and

(4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

(a) The Obligation have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

(b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.

(c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal alternative minimum tax on individuals. Interest on the Obligation included in adjusted financial statement income of certain corporations and is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligation) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligation has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligation to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligation and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of revenues or moneys of the Obligor legally available will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligation for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP